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Cuba

Central American Summit Declaration Discussed

FL1212190089 Havana Radio Rebelde Network in Spanish 1800 GMT 12 Dec 89

[Station commentary]

[Text] The special Central American summit ended in Costa Rica early this morning. Evidently, the temperature got very high during the meeting, but an agreement was reached. One of the key points of discussion was the demobilization of the Nicaraguan counterrevolution, which did not suffer substantial changes from the agreement reached earlier in Tela, Honduras. However, the point regarding the Salvadoran conflict does differ from the stand held so far by the Farabundo Marti National Liberation Front [FLMN].

Therefore, two basic questions arise. Will the United States be willing this time to recognize the agreement reached by the Central American presidents regarding the dismantling of the Nicaraguan contras and its demobilization? The other question is: Will the FLMN leadership accept the terms of the current agreement?

Regarding the first matter, the demobilization of the contras, it is doubtful that Washington will agree on the demobilization, at least not before February. The U.S. Government has categorically said this because the contras are an element of pressure in the Nicaraguan electoral process for the United States and it will not allow them to vanish if it can help it.

On the other hand, there is the Salvadoran conflict. If the FMLN does not accept the terms of the current agreement, it is unlikely that the Salvadoran Government will agree to talk under conditions that are different to the ones agreed on.

In other words, the Salvadoran conflict will continue to exist. If the Salvadoran and Nicaraguan conflicts are not solved, there cannot be talk about true peace in Central America.

PCC Leaders Review Economic, Social Programs

FL1212124889 Havana Radio Reloj Network in Spanish 1132 GMT 12 Dec 89

[Text] With the purpose of reviewing the progress of the main economic and social programs being carried out, Commander in Chief Fidel Castro, together with the rest of the members of the Communist Party of Cuba [PCC] Politburo and Secretariat, is heading a meeting at the Palace of Revolution. The party's first secretaries in provinces and municipalities, presidents of the Provincial People's Government executive committees, members of the Council of Ministers, and other cadres of the party, state, and mass and social organizations are also attending the meeting.

Special attention is being given to the present sugarcane harvest and the preparations being made for the coming ones, as well as the status of the various plans composing the foodstuffs program. The work of industries, the status of new investments, and some social projects are also being analyzed at the meeting being presided over by Fidel. In a talk with the country's main party leaders, Fidel asserted that sugarcane is sacred, but said the population needs to have a reliable supply of vegetables and tubers. With the problems heading our way, food production has become the number one priority, together with the production of sugarcane, which is also food; sugarcane is a source of sugar, nutrients for cattle, and other byproducts, said the chief of the revolution.

Fidel recommended that no less than 200 new dairies a year be built in the next 5 or 6 years, taking into account the fast population growth. We count on the availability of milk, stressed the commander in chief.

The meeting makes evident the enormous effort being made in the entire country to continue taking development plans forward and to prepare the nation for any negative consequence the current international situation may bring.

Film Festival Participants Condemn TV Marti

FL1212204289 Havana Tele-Rebelde Network in Spanish 1800 GMT 12 Dec 89

[Text] The participants in the 11th Festival of New Latin American Film, Television, and Video have condemned the so-called Tele-Marti. The unprecedented act by the U.S. Government in the region is an attempt to establish a television channel beamed to Cuban territory and designed to break the cultural and political sovereignty of Cuba.

During the round table on new audio-visual technologies and their impact on Latin America and the Caribbean, which is being held at the Hotel Nacional, the protest statement was issued. The declaration shows that film, television, and video actors, directors, critics, and other participants in the festival repudiate U.S. interference in Third World countries that violates the norms of international rights established in the UN Charter. The document strongly rejects the imposition of this new form of cold war and calls all the governments and political forces of America to also join in the condemnation.

Joint Economic Commission With PRC Meets

FL1212195089 Havana Tele-Rebelde Network in Spanish 1800 GMT 12 Dec 89

[Text] The second meeting of the Joint Cuba-PRC Commission for Economic Cooperation began today in Havana. The delegations are headed by Ricardo Cabrisas, Cuban minister of foreign trade, and Zheng Tuobin, PRC minister of foreign economic relations and trade.

During the three days of talks, the documents that will be signed next Thursday will receive their final touches. Among those documents will be the trade agreement for 1990 and the economic cooperation agreement.

Zheng Tuobin and his delegation will be received by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, and they will visit several areas of economic interest.

The first meeting of the commission was held in Beijing last year, and this second one in Havana is scheduled to end next Thursday.

Angolan President Dos Santos Interviewed

FL1312024189 Havana Television Service in Spanish 1829 GMT 7 Dec 89

["Exclusive" interview with Angolan President Jose Eduardo Dos Santos by unidentified reporter of the Film and Television Studios of the Revolutionary Armed Forces; date and place not given—recorded]

[Text] [Reporter] Comrade President Jose Eduardo Dos Santos, what do you consider necessary to maintain peace and promote development in the People's Republic of Angola?

[Dos Santos] In the first place, it is necessary that every form of foreign interference in the domestic affairs of the People's Republic of Angola be discontinued; second, that the neighboring countries of Angola cooperate with us in a fraternal spirit of good neighborhood to make it possible to have peace and stability along our common borders; and third, that all Angolans, imbued with a high patriotic spirit, become aware that our prime task is to consolidate our national unity and to rebuild our country after overcoming the wounds left by the colonialist war and the war of aggression perpetrated by South Africa with the support of international imperialism.

I can tell you that, in keeping with this line of thinking, our government is seeking to promote efforts to secure peace and has formulated a plan that was approved by the entire Angolan nation, and by all the African countries. We are convinced that in the near future, with the easing of tensions that has taken place in southern Africa and now that the former atmosphere of tension has subsided, the Angolan people will be able to secure peace.

[Reporter] Comrade President, as we all know, the Cuban people are closely following Angolan domestic affairs. We would like to know if you believe that real, objective conditions to finding a solution to the internal conflict of the People's Republic of Angola exist, and what the basis for such a solution would be.

[Dos Santos] I believe there exist conditions to reach a just solution to the Angolan domestic conflict. In the first place, it is necessary that this conflict be—in fact—a domestic conflict, as I said a short while ago. Today, we cannot regard it as a domestic conflict because it is being fueled by foreign forces and interests, which are foreign to the Angolan people. There exist objective conditions for achieving peace because the war has been going on for many years. We know the Angolan combatants, whether those in the ranks of People's Armed Forces for the Liberation of Angola [FAPLA] who have courageously and vigorously fought to defend the fatherland, or whether those in the ranks of the National Union for the Total Independence of Angola [UNITA] who, deceived by Jonas Savimbi, have fought all these years against their own people; they all want peace. We all know that war is not in the best interests of the Angolan people. There is even a certain degree of weariness of war.

Furthermore, a significant change in mentality has taken place on the international front. There has been a rapprochement between the superpowers, that is, between the United States of America and the Soviet Union. The superpowers want to resolve regional conflicts through political means, through negotiations. Thus, there is international pressure to put an end to wars.

Furthermore, Namibian independence has offset the balance of forces in southern Africa in favor of liberation movements and of those countries struggling for progress and peace. There is also a growing struggle within South Africa itself, which apartheid still reigns, of all antiapartheid forces, and the regime is being forced is to loosen restrictions, to make concessions. In our opinion, all these factors are creating favorable conditions for Angola and Mozambique to implement their programs of peace. But, this is a matter of time and patience. Peace will ultimately be achieved.

[Reporter] How do you evaluate the aid provided by the Cuban internationalists and what influence have they had on the Angolan combatants?

[Dos Santos] Cuba has helped and continues to help the Angolan people, but the main thing is that that aid began at a crucial time in the life of the emerging Angolan nation, at a time when a coalition of foreign forces attempted to suppress, in a bloodbath, the right to independence and self-determination gained by the Angolan people after a long, armed struggle for national liberation.

The Cuban people, the top Cuban leader, saw that Angola was going through a difficult situation. Tens of thousands of combatants fought along with the Angolan people and passed through Angola. Sharing trenches, Cuban and Angolan soldiers defended the Angolan fatherland, and here the Cuban people supported the Angolan fatherland as though it were their own fatherland. We consider this aid exemplary. In the first place, it was unconditional because it never questioned the sovereignty of the people and state of Angola. Despite the massive Cuban presence, the Angolan people have always exercised their sovereignty. We regard the Cuban aid as loyal.

Furthermore, in a fraternal atmosphere of equality, we developed solid ties not only in the area of military cooperation but also in areas such as education and health, in which the Cuban aid was (?essential) because the Cuban physicians and teachers went to townships and municipalities, where there were often neither doctors nor teachers. We feel it was a multidisciplinary aid that played an extremely important role in the early years of our independence because it helped put the administration back in motion, to fill the vacuum that had been creative by the massive flight of foreign technicians.

In 1976, our country was virtually at a standstill. Those responsible for the administration of the country had fled to Portugal. Some of them were Portuguese citizens, at least most of them were; there were a few Angolans. The economic productive process was also disorganized and practically paralyzed. Leading technicians, namely architects and economists, most of whom were Portuguese citizens, were urged to leave Angola.

It was in fact with the help of the Cuban experts that the first government of the People's Republic Angola could put the administration into motion, that is, reorganize the state apparatus. It was with the help of the Cuban experts that the Angolan productive apparatus was put into motion. Enterprises that had been abandoned were put back into operation both in cities and even in some rural areas.

There were also just a handful of Angolan physicians. Foreign physicians had fled the country. As I just said, Cuban assistance in hospitals was vital.

Therefore, we consider the generous Cuban multidisciplinary aid to the Angolan people to have been essential to the survival of the progressive government and to the shaping of today's independent Angola.

[Reporter] Comrade President, hundreds of internationalists are returning daily to our country, some by air and some by ship, after fulfilling their mission. I would like to know what Jose Eduardo Dos Santos feels both as president of Angola and as an Angolan citizen when he sees the victorious Cuban troops returning to their fatherland.

[Dos Santos] In the first place, it causes great joy for us to see that all our joint efforts to defend the Angolan people, to defend our fatherland, are rewarded with the victories we have already achieved and those we have yet to achieve. First, the South African regime, which sought to transform Angola into a Bantustan, was defeated. Second, the South African regime was also prevented from perpetuating Namibia's colonial status, and the implementation process of Resolution 435, which will lead Namibia toward its independence, is under way.

Thus, we are all proud—Angolans, Cubans, and all progressive forces alike—of the return of the internationalists. Yet, on the other hand, we also experience a sense of loss. This feeling is experienced by those Angolan leaders who were most closely connected to the Cuban leaders; this feeling is shared by officers and soldiers alike, in sum, by the combatants who over a period of many years forged a friendship in trenches; in working meetings in which we outlined programs and plans.

We believe, however, that this return does not entail a separation. Our friendship will strengthen, will consolidate. Meetings between Angolan leaders and those responsible for cadres will continue and will expand. Therefore, our cooperation will be further consolidated. We will also keep alive the spirit of friendship and fraternity that has always linked Angola and Cuba, both in times of happiness and victory as well as in times of temporary setbacks.

[Reporter] Cuba and Angola have undoubtedly made a great effort in bringing about a solution to the regional conflict in southern Africa. I would like to know if you are satisfied, your opinion about the aid given in this case by Cuba and Angola for the solution of the Namibian case, which may ultimately result in the Namibian independence.

[Dos Santos] As I said a short while ago, we are satisfied because we believe this was a joint victory of Cuba and Angola. I would say this was, in the first place, a victory of the Namibian people; second, that it was a joint victory for Angola and Cuba; and third, a victory for the international community. Thus, we consider that our participation was decisive in the implementation of Resolution 435, which had been blocked for 10 years.

I do not believe Resolution 435 could have been implemented without the Cuban and Angolan participation in battles against South Africa, which was defeated and forced to change its mentality.

The resolution was implemented because South Africa was defeated in Cuito Cuanavale, where Angolan, Cuban, and Namibian combatants fought heroically. Thus, we believe we made an invaluable, decisive contribution in this endeavor.

[Reporter] We would like to know what basic problems you have resolved thus far and what problems could be solved in the next few years. As you know, our people are concerned about your problems because they want them resolved.

[Dos Santos] Cuban cooperation has in fact been instrumental in solving many problems since the independence of Angola, but we are aware that the Angolan socioeconomic problems are very complex, that they stem from a profound crisis. In addition to the problems provoked by the war of aggression, there are problems that are inherent to the economic system we have adopted. I am referring in particular to the planned economic system because this is a system that is quite centralized, that requires a great deal of bureaucracy. Furthermore, we believe there are causes dating to colonial times, that is, structures conceived in colonial

times that we inherited and which were only instrumental in satisfying and promoting the concerns and interests of a minority of the people who resided in cities. These were mainly Portuguese settlers.

Therefore, upon examining all the causes of our problems, we formulated a program for economic and financial improvement to solve our problems in stages. Thus, we are going to restructure our planned economic system. This restructuring is designed in the first place to debureaucratize, to the extent possible, the planned economic system and to decentralize, to the extent possible, the implementation of tasks both for enterprises and the local governments. This is going to be a long process, but we are going to outline the steps we are going to follow to promote debureaucratization and decentralization. We already drafted a package of laws concerning our financial policy, which is a tool of our budget policy.

We also drafted laws concerning state-owned enterprises, which will thus enjoy greater independence from ministries and planning organizations. This means that the planning office, which in our case is the Planning Ministry, will deal with general issues, with the guidelines, and the ministries will approve the programs of the enterprises, which will also enjoy a great deal of autonomy concerning management of their assets. They will be able to deal directly with financial sectors—banks and other financial enterprises— focusing on profitability. As soon as these laws are enforced, the state—as a general rule—will no longer subsidize the deficits of state-owned enterprises. These enterprises will have to make profits, they will have to support themselves through the funds generated by their economic activities.

Furthermore, we also seek to accelerate the training of cadres of administrators through a reformulation of the economics courses given at the Economics Faculty at the Agostinho Neto University. There will be two major areas in this training program: Training in macroeconomics and microeconomics will be primarily focused on business administration. Furthermore, we plan to offer accelerated courses for business managers, emphasizing the responsibility of managers in every area.

For our program to be successful, the state will obviously have to solve the people's problems. Applying Marxist-Leninist principles regarding the state, we will have to move through each stage one at a time. Thus, considering the specific conditions of our country—underdeveloped, without skilled personnel, where Marxist-Leninist theory is still not adequately known, where productive forces are not developed—we believe that state capitalism, mixing capital assets of the state with those of the private sector, should play an important role in this state of transition and reconstruction. Thus, we drafted a foreign investment law, which will promote a larger attraction of capital. We plan to establish mixed enterprises; in some cases, to enter into management contracts with foreign organizations, whether from Western countries or not, to put the productive apparatus in motion.

On the domestic front, we are also giving leeway to small producers of the private sector; thus, small economic undertakings—such as bars, restaurants, and small shops—could be managed by individuals or by cooperatives, as long as they prove to be able to manage, to generate, and to produce goods or provide services to the people under acceptable conditions. Local governments will be charged with controlling and with supervising these small economic activities.

We assign great significance to infrastructural facilities. We follow an order of priorities concerning investments; and our main priority is precisely to repair and improve infrastructural facilities, namely water, electricity, roads, ports, and facilities to promote education and health. We need a large amount of money to implement this program. We do not have this money. Naturally, we will have to count on foreign investment within the framework of certain rules.

We believe it is important to have peace in Angola to be able to implement this program. We do not separate the implementation of our economic program from our political and diplomatic program to achieve peace. These programs are interconnected. Only with peace will we be able to implement this program, especially in rural areas, where the peasants will have to play a leading role. At present, we are about to promote the organization of peasants into associations and cooperations. To dynamize this process, we created provincial unions of peasants. Early next year, we will proclaim the National Union of Angolan Peasants, which we can say will be somewhat like a trade union federation for peasants. Thus, we would have UNTA, the National Union of Angolan Workers, for the workers; and the National Union of Angolan Peasants, which would be in charge of defending the interests of peasants and of channeling support for them.

In rural areas, we are going to focus attention on each family's economy; we are going to support the economic activity of each family. What achievements have we made? As I said earlier, we have established stages: The first stage was the drafting of laws, which are now ready; in some cases, implementing laws that are in effect; others are yet to be implemented. We are still enacting and implementing laws.

Additionally, we created some structures that will enable us to implement programs. First, we conceived of a structure and created a technical secretariat; now we are beginning to set up implementing structures. Some of these structures are of a provisional nature. The third congress of the party slated for next year will focus on state structure, and will establish new guidelines for work on the continuation of the state executive apparatus restructuring.

We also have a program to create the conditions for the implementation of those comprehensive measures that could have far-reaching, even negative, effects on the first stage of the life of a nation. These are known as macroeconomic measures, such as the readjustment of the exchange rate of our currency in relation to the dollar, the devaluation of our currency on the domestic front or an overall readjustment of prices and salaries.

In the first place, we made a great effort to improve the supply system, and the fact that the oil price has stabilized and above all the fact that we slightly improved our supplies to the people....[changes thought] we reorganized the Trade Ministry by merging the structure of the Domestic Trade Ministry with that of the Foreign Trade Ministry, we made a more rational use of structures, we made better use of both personnel and foreign currency, we improved our transportation system, and we may say that supplies are regularly reaching the people in Luanda. It is still a system of rationed supplies based on coupons, but it is regular. Should the oil price remain stable, supplies will continue to be available on a regular basis. We still have problems transporting these supplies to the provinces, but we are also trying to make an effort to improve the transportation and availability of supplies in the provinces, at least to meet the minimum of established rationed supplies.

Meanwhile, we are liberalizing the activities of small enterprises to obtain a larger production of goods by these small producers and to improve the quality of services. In sum, when we consider that the overall availability of supplies in the country acceptable, we will be able to devalue our currency, because it is an unpopular measure that reduces the people's purchasing power. Besides, [words indistinct] of the entire business sector.

Now, we are going to study each enterprise on an individual basis to determine whether the administration of these enterprises will remain 100 percent in the hands of the state, or whether their administration can be entrusted to a foreign enterprise through a contract, or whether the stocks of these enterprises should be shared by the state and by foreign investors, thus becoming mixed enterprises. But, to successfully implement this task, we will also reorganize the Industry Ministry. As a matter of fact, we are planning to merge the manufacturing industry and the trade sector. Thus, at this time we will appoint a minister who will be in charge of both industry and trade. We no longer have one minister for domestic trade and another for foreign trade: We have just one trade minister. We are now on our way to merging industry and trade, so we can also implement a rationalization program, especially regarding the import of industrial supplies, because in the past we had many stumbling blocks. Every time the Industry Ministry requested basic supplies, the request for an import license had to go through the Trade Ministry, the bank; then we had to arrange transportation; thus, this was an extremely long and slow process. Our experience with entrusting two sectors to just one minister allows us to believe that in this case the provision of special and material supplies to the industrial sector will be expedited.

We have a problem in the area of geology and the mining industry. We intend to separate this from the industrial sector. We have yet to decide to which sector, to which central organization will we assign this sector, but studies are being conducted. These are, we might say, preparatory measures. Early next year, we plan to launch our great operation to promote a new takeoff for industrial recovery. We seek to implement a more realistic industrial policy. We could not do this before because we ourselves did not know our country well. Yet, during these years we promoted the training of technical personnel in socialist countries: Many came to Cuba, others went to the Soviet Union or to Western countries. Those who had to work at that time learned from their own mistakes: We made many mistakes, but now we want to profit from our experience and we are seeking to improve, shall we say, the management of our economy. These are the steps we outlined to implement our program during the first stage, which will be a stage for making economic corrections.

I have not yet referred to aspects dealing with financial corrections. I said that we have changed our budget policy, our financial policy. A major concern in our program is the need to balance the state accounts, namely our foreign accounts—that is, the renegotiation of our foreign debt deadlines. We were forced to turn to the IMF, because our creditors refused to reschedule our debt if Angola did not adhere to the IMF and World Bank requirements. Only after balancing our financial accounts will we be able to establish a new system, which will make the enterprises approach credit, banks, and the financial sector on the basis of a more responsible administration, which will emphasize economic profitability. The state will then no longer carry the burden of deficit-causing, state-owned enterprises. It should be taken into consideration, of course, that not everything will be perfect during this period of opening to foreign investment, and to national private investors, namely small producers.

This opening will entail additional problems, but we want to build socialism. We are aware that this program will at first emphasize the role of small bourgeois sectors in the economic sector, and later these bourgeois sectors could make some political demands within this process. These are future problems that we should also consider. In any case, our current situation is worse, because we have an underground economy that is stimulating the growth of small bourgeois and even some medium-sized bourgeois sectors, which have money that is not within the banking system. This is causing recession and even political regression, which is a much more dangerous situation for us. Through this program, we will at least be able to control all economic agents during the first stage because we are going to set up a registration system.

Furthermore, we should point to the fact that that we will be able to have a more realistic idea of social classes in the People's Republic of Angola. Then, I would say that we will implement our policy of building socialism without neglecting Marxist-Leninist principles. In a few

words, we have made some specific achievements in our program but they are still not too evident. We improved the supply system slightly; we gave some incentives to small producers; but our major operation will begin through the reorganization of the state-owned enterprises. Thus, I believe that beginning next year we will in fact implement the major practical measures [words indistinct].

[Reporter] Comrade President, you know that the Cuban people at large are proud of their involvement in the struggle and and in the construction with the FAPLA and the Angolan people. Would you like to convey a message to the Cuban people?

[Dos Santos] Yes, with great pleasure. As I said recently, Cuba has played a decisive role in the defense of Angolan independence. On this occasion, we cannot fail to remember all those comrades of struggle who went through Angola and who shared our trenches of battle with us. Today, we can witness the results of their efforts, the victories obtained by our peoples. I cannot fail to mention here either that had it not been for the resolve of Comrade President Fidel Castro, the top leader of the Cuban revolution; had it not been for his (?receptiveness) to the various programs we discussed for resolving the problems of South-West Africa and of the war in that region, we would not have had the results we ultimately achieved.

Therefore, I believe that the entire Cuban people, under the leadership of Comrade President Fidel Castro, generously extended their hands to the Angolan people at an extremely difficult time in our lives; and that the generous Cuban help made it possible for Angola to be what it is today. The Cuban people also supported the gigantic effort our people undertook throughout these years. Thus, my final message would be a message of profound recognition for that invaluable help that Cuba gave to Angola. Second, I want to convey a message of friendship to all those who went through Angola, to those from Cuba who supported and participated in this gigantic, victorious effort. I hope we maintain this spirit of struggle, of fraternity, and that we strengthen it through cooperation that will further our friendship and that will bring positive results to our two peoples. Thus, we advocate cooperation in every area, which would be mutually beneficial and which would be in keeping with the spirit that always governed our friendly relations: Equality, solidarity and brotherhood. Thank you.

Jorge Risquet Receives SWAPO's Dimo Hamaambo

FL1212192089 Havana Tele-Rebelde Network in Spanish 1800 GMT 12 Dec 89

[Text] Jorge Risquet Valdes, secretary of the Communist Party of Cuba Central Committee and member of the Politburo, has received Dimo Hamaambo, member of the Politburo of the South-West African People's Organization, SWAPO, and chief of the People's Liberation Army of Namibia.

The meeting was held in a fraternal atmosphere and their discussion broached matters related to the world situation and the African continent, especially Namibia and southwest Africa. The Namibian leader expressed his admiration and respect for the internationalist example given by the Cubans, especially for those who gave their lives for Africa's freedom.

Dimo Hamaambo and the delegation he heads attended the funeral ceremonies for the internationalist combatants held on 7 December.

Bayeh-led Ethiopian Delegation Ends Visit

FL1212232389 Havana Radio Reloj Network in Spanish 2032 GMT 12 Dec 89

[Text] General of the Army Raul Castro, second secretary of the party and first vice president of the Councils of State and Ministers, bade farewell to the high level Ethiopian delegation that visited our country.

The Ethiopian delegation was led by Bernahu Bayeh, vice president of the Council of State and member of the Politburo of the Workers Party of Ethiopia. The Bayeh-led delegation participated in the funeral ceremonies held to honor the Cuban internationalists who died in the line of duty, including those who fell to defend the territorial integrity and independence of Ethiopia.

The Ethiopian delegation held official talks with Cuban counterparts and engaged in fraternal meetings with internationalists who served in Africa.

Castro Attends Scientific Medal Award Ceremony

FL1212135089 Havana Radio Reloj Network in Spanish 1134 GMT 12 Dec 89

[Text] Last night in this capital, Commander in Chief Fidel Castro, president of the Councils of State and Ministers, attended the presentation of the gold medals conferred by the World Intellectual Property Organization to the Cuban developers of the vaccine against type B meningitis. [Name indistinct], director general of the world organization, decorated Drs Concepcion Campa Huergo and Gustavo Sierra Gonzalez. They are the main developers of this scientific achievement and the first Cuban researchers to receive this award. [Name indistinct] stated that the development of this vaccine gives Cuba scientific prestige and benefits all mankind in the fight against the disease.

Expressing her appreciation for the award, Dr Concepcion Campa Huergo insisted that the vaccine was not developed by chance but is the result of a scientific policy. During the award ceremony, Dr Campa Huergo said the commander in chief is the one responsible for scientific advances in Cuba. Commander in Chief Fidel Castro embraced and congratulated each one of the vaccine's developers and chatted with them. He praised the dedicated work of the collective of the center in

which the type b meningitis vaccine was created and stated that the work they perform needs to be recorded in history.

During his dynamic exchanges with other scientists, Fidel spoke about the development of the Ultra Micro Analitic System, SUMA, another important Cuban success which has multiple applications, the detection of AIDS and the presence of Alpha-fetus protein in fetuses during early pregnancy, among them.

Dominica

Opposition Leaders Stage Walkout 11 Dec

FL1112223489 Bridgetown CANA in English 2109 GMT 11 Dec 89

[Text] Roseau, Dominica, Dec 11, CANA—Opposition members walked out of Parliament on Monday [11 December], after the speaker ruled that a government motion for additional expenditure could be debated without the presence of the minister of finance. Opposition leader Michael Douglas led members of his Dominica Labour Party (DLP) out of the parliamentary chambers, citing the session as "illegal".

"We will abstain ourselves from the debate," he said after Speaker Crispin Sorhaindo ruled that government parliamentarians were within their rights in debating the motion, standing in the name of Prime Minister Eugenia Charles, who is also the finance minister. The government was seeking, through the motion, 6.5 million EC dollars in supplementary estimates.

Attorney General Brian Alleyne had tabled the motion in the absence of Miss Charles, who has a broken leg. Opposition spokesman on finance Vic Riviere said the Dominican Constitution allowed only for the minister of finance or someone who was acting to table motions dealing with finance. But Alleyne said according to the standing rules of the house, a financial motion can be moved by any minister and not only the minister of finance. Charles is performing the duties of prime and finance minister from her home.

Dominican Republic

* Electricity Shortage Harms Economy

* Small Businesses Hurt

90EM0045A Santo Domingo LISTIN DIARIO in Spanish 1 Oct 89 p 12D

[Text] The constant, prolonged blackouts will cause the disappearance of a group of businesses established in poor and residential districts of the capital and interior towns in which hundreds of people are earning their daily living.

Those business firms include beauty salons, coffee, ice cream, barber and butcher shops, and laundries.

Carmen Rodriguez, owner of a beauty shop in this capital's 24 de Abril district, remarked: "In this area the light is on for only 3 hours a day, although it lasts longer during the night, but, as you know, customers don't come at that time."

She said that five persons work in her establishment but, owing to the constant, lengthy blackouts, "I have only two workers left that I'll have to dismiss some day because of the energy crisis and close the business."

She claimed that she will be forced to engage in some other type of business, or seek employment in one of the establishments patronized by the inhabitants of residential districts who pay good money, enabling the owners to purchase an electric generator.

She said that she had to sell some land that she owned in an interior town, using the proceeds to purchase the equipment for setting up her small beauty salon.

But the tragedy is more painful for Secundino Mejia, who owns a barber shop in the Espaillat expansion area, because, "Here, the light comes on for only half an hour, which doesn't allow me to give more than one person a haircut."

Antonio Manon, owner of a butcher shop located in the same section, also voices his complaints, "because the blackouts are putting an end to my business. A week ago a large supply of meat and sausage was spoiled because of the blackouts."

Bitterly, he adds that he was told that he could not obtain any more credit from his suppliers, "because I was late in paying for some meat that had been sold to me on credit."

Other long-established businesses will also tend to disappear as a result of the energy crisis, including fish markets and ice plants whose owners lack the necessary funds to purchase an emergency electric generator.

Ramon Contreras, whose fish market is set up in the small marketplace operating on Central Street, at the corner of Mutualismo in the Espaillat expansion area, comments: "I had a small electric generator with which I kept the fish refrigerated, but it wore out because of too many hours of operation."

Ruben Sanchez has an ice cream shop set up near that same corner, "which I'll have to close because business is no longer profitable with the constant blackouts."

Elias Mendez Vargas, who owns a barber shop in the same section, also complains of the blackouts. He remarked: "There's nothing left for me to do but sit down and play dominoes with these friends, because the blackouts have kept me from working today."

* Cold Storage Affected

90EM0045B Santo Domingo EL NACIONAL in Spanish 1 Nov 89 p 5

[Excerpt] Thousands of quintales of various types of products stored in the large government warehouses on the Duarte freeway run the risk of damage because of the lack of electric power for refrigerating the premises.

The products were purchased through the Presidency of the Republic's social plan to support the programs for sales at controlled prices among the low-income population.

It was reported that some of the products to be distributed in Christmas baskets through the program headed by Mrs Emma Balaguer de Vallejo have also been brought to those warehouses.

The blackout problem has had effects on these warehouses, because they lack sufficient artificial ventilation for being left so long without electric power to refrigerate the storage places.

It was learned that a generator at the plant's disposal broke down as a result of the prolonged use to which it had to be put because of the Dominican Electricity Corporation's [CDE] blackouts.

It was explained that perishable products have been accumulated in the storage facilities, as well as others that could withstand a period of heat, but not such a long one.

Agricultural products, which spoil or ripen very quickly, are the ones that have suffered most. [passage omitted]

* Forest Conservation Bill Presented to Congress

90EM0046A Santo Domingo EL CARIBE in Spanish 2 Oct 89 pp 1, 4

[Text] A bill that would prohibit the clearing of land and the cutting or felling, burning, and destruction of trees throughout the entire national territory, creating specific penalties of imprisonment and fines, was submitted to the Senate by Jose Osvaldo Leger (PRSC [Christian Social Revolutionary Party]-San Cristobal).

In one of its whereas clauses the bill states that forests form a complex, balanced, ecological system, with the fauna inhabiting them and the soil supporting them.

It adds that the ecological system is a stabilizing element for the environment, and that its destruction jeopardizes the life cycle, consisting of plant formations typified by abundant trees, although not comprised exclusively of the latter.

In another whereas clause it declares: "The clearing of land and the cutting or felling, burning, and destruction of trees have caused a tragic reduction in the country's wooded cover."

It adds that this situation is seriously threatening the conservation of fertile soil and both surface and underground water sources, as well as maintenance of the endemic species of flora and fauna, weather stability, and rainfall regimens in the nation.

It declares that upsets in the ecological balance of natural systems endanger the quality of life of the country's inhabitants; hence, the adoption of a consistent, suitable law is required, from the standpoint of penalties imposed on those who destroy the country's natural patrimony, and on persons or entities that induce, contract, order, encourage, support, or protect third parties in the commission of ecological crimes.

The bill contains 16 articles. It is intended to ban the clearing of land and the cutting or felling, burning, and destruction of trees by any physical or chemical means.

The ban would include the cordillera areas stipulated in Law No 627 of 28 May 1977.

This includes the national parks, scientific reservations, game preserve zones, and restricted areas, or similar areas declared as such in various laws and decrees, as well as all the country's mangrove swamps located on beaches, coasts, and estuaries, and their adjacent islands and keys.

Nevertheless, Article 2 notes that cases involving work to prevent forest fires are an exception to the bans.

Also exempted are felling to protect against pests and diseases, and the use of deadwood or trees felled by natural causes.

Other exceptions are felling for scientific purposes, and felling required for the construction of a tourist-type establishment.

The bill proposes that each one of those exceptions will require the procurement of express permission from the General Forest Directorate and the National Parks Directorate.

The bill would leave to the Executive Branch the establishment of zones in which cutting of species suited for firewood and charcoal will be allowed, although those interested must secure permission from the General Forest Directorate, after paying the fees yet to be specified for this purpose.

It proposes that those interested in this type of utilization must also make a commitment to replace the destroyed trees at a rate of 10 for each one.

"[Violators] will be considered guilty of the crime of destruction and/or degradation of the nation's natural patrimony, and hence, of harming the common welfare"; and individuals or corporations found guilty of such crimes will be punished with one or more of the stipulated penalties.

For the cutting or destruction of up to 5 trees a fine of from 50 to 100 pesos will be imposed; in the case of 6 to 12 trees the fine will be from 200 to 500 pesos; and if 13 to 50 trees are involved there will be a fine of 2,000 pesos with 1 to 2 years of correctional imprisonment.

In the event that the destruction or cutting exceeds 50 trees, a fine of 5,000 pesos and 5 years of correctional imprisonment will be imposed; and, in the case of a second offense, the penalties will be doubled, based on the stipulations in the previous paragraphs.

It notes that if a fire should cause loss of human lives, the penalties specified in the Dominican Penal Code will be applied, and any private persons or public officials found guilty will be punished with sentences of from 2 to 5 years of correctional imprisonment and fines of from 50,000 to 200,000 pesos, depending on the seriousness of the case.

It adds that all parts or trunks cut or felled, burned, or destroyed, as well as the tools and machinery used in the commission of the crime, will also be confiscated.

Similarly, it states that vehicles or land and sea transport facilities used to carry the illegally cut parts or trunks will be confiscated.

It declares that the General Forest Directorate, advised by the National Commission for the Environment, is assigned to prepare the regulations to facilitate total implementation of this law.

* Effects of Inflation on Small Farmers

90EM0046B Santo Domingo EL NACIONAL in Spanish 17 Oct 89 p 11

[Text] The state agricultural-livestock policies and those of the international agencies implemented during the past 12 years have excluded small and medium-sized producers, despite the fact that they contribute 82.3 percent of the food produced in the country, and about 90 percent of the coffee, cacao, and tobacco, while holding only 20.7 percent of the arable land, and not the best of it.

Hence, the agricultural-livestock gross domestic product (GDP) declined from 25.9 percent in 1969 to 16.4 percent in 1988, showing a growth less than that of the national economy.

The reduction and/or stagnation in agricultural-livestock production during this period is clearly evident: from 1977 to 1988, corn, -8.59; yucca, -47.62; industrial tomatoes, -24.95; potatoes, -10.66; yautia [a herbaceous plant of the arum family with edible tubers], -19.33; peanuts, -61.18; yams, -71.38. Red beans had shown an acceptable increase until 1984, when the downward trend began.

Rice also underwent satisfactory growth until the IMF measures. Livestock raisers reflect a stagnation that may be clearly observed in milk, with a production of 292 million liters in 1966, but with only 273 million liters produced in 1988.

Domestic rice consumption has been declining since 1983, while production costs rose by 548.34 percent between 1983 and 1989, with the price on the farm level plummeting. What is unquestionable is the fact that the solution lies in cutting costs, eliminating the large-scale middlemen (millers and wholesalers), totally financing production and marketing, and implementing the agrarian laws in effect.

Coffee, for its part, is experiencing one of its worst times: with a considerable deterioration in the plantations, and coffee rust advancing with no renovation of the plantations. Between the middlemen and the government (through taxes), not only are the profits kept, but part of the producer's work as well. Productivity has dropped 40.3 percent over the past 8 years, but the government has retained 384 million pesos in only 4 years.

Cacao productivity declined 16.7 percent between 1980 and 1989, and so did the quality. Currently, 94 percent Sanchez-type cacao (with inadequate drying and no fermentation) is being produced, representing $12 less per quintal exported. Only three companies exported 79 percent of the Dominican cacao during the past 10 years. Small and medium-sized milk producers contribute 69 percent of the national production, but they are the ones most neglected and excluded from the end profits.

This entire situation is a result of fiscal policies (low net investments in the sector), cuts in subsidies, exchange measures causing price hikes for components, and high taxes on traditional exportable production, while the "new agriculture" promoted by the AID [Agency for International Development] is virtually tax-exempt.

Although there has been much talk in recent years about agrarian reform, large farms increased their area, from 28,315 tareas per unit in 1971 to 33,346 tareas 10 years later. Meanwhile, small farms were reduced in size, from 23.8 tareas per farm to 16.3 tareas in 1981. The area being cultivated by the IAD [Dominican Agrarian Institute] is only 17 percent of all that it has taken over.

The demand for financing among the producers applying to Bagricola [Agricultural Bank] amounted to 2.588 billion pesos during 1988. In 1989 3.6592 billion pesos were projected, but the official institution has scheduled the provision of only 31.4 percent, for lack of capital.

It may be demonstrated that the unequal increase in production costs and farm level prices is one of the detrimental effects of the current policies, which have ended up with a reduction in the producers' profit margins. In addition to this, the middlemen illegally and unethically appropriated 3.265 billion pesos between 1987 and 1988.

Grenada

Officials Sent to U.S., Britain To Raise Money

FL0612204589 Bridgetown CANA in English 1429 GMT 6 Dec 89

[Text] St George's, Grenada, Dec 6, CANA—The Grenada Government has dispatched two senior delegations to the United States and Britain to try and raise EC25 million dollars (1 EC dol = 37 cents U.S.) to settle a back pay dispute that has triggered a civil servants strike here.

Well-placed government sources told CANA that Education Minister George McGuire has been ordered to travel to London for discussions with a group of bankers on raising the money. One official who asked not to be named said that Health Minister Felix Alexander and Director-General of Government Finances Lauriston Wilson (Jr) are heading for Miami on a similar mission.

An estimated 7, 000 civil servants took strike action on Friday after the Herbert Blaize administration told them that it could not pay by December 1 the money owed to them in retroactive payment for 1987-89. Government said that it had failed to secure the money which was expected from "external sources". The source said government would respond shortly to a five-point proposal from union leaders for ending the strike. Government, he said, was expected to reject three of the proposals out of hand, including a demand to pay the money by December 18.

According to the official, the government will indicate its willingness to brief the unions on a regular basis on the progress being made with the negotiations to find the money. In response to the unions' demand that the workers be paid in full for the days off the job in the current dispute, the official said that government would accede, provided the strike is called off by today.

He stated that government's position is that if the workers fail to return to show up on the job by Thursday then the necessary deductions would be made from their pay checks. The official also indicated that government would assure the unions that none of the strikers would be victimized, since that was not its policy.

The strike has virtually crippled the machinery of government especially its key revenue earning departments like Customs, the Post Office, and the Treasury. Government has resorted to hiring fishermen in Grenada's second town of Grenville to remove the garbage which has piled up with the sanitation workers off the job.

Union Leader: Blaize 'Bent on A Confrontation'

FL0712212089 Bridgetown CANA in English 1525 GMT 7 Dec 89

[Text] St George's, Grenada, Dec 7, CANA—A Grenada trade union leader has complained that Prime Minister Herbert Blaize seems bent on a confrontation with unionists, as a strike over backpay continued Thursday. Public Workers Union [PWU] President Lauret Clarkson told a news conference last night the prime minister "is asking for a confrontation".

She was commenting on a letter from the government, rejecting demands made by the PWU, the Grenada Union of Teachers [GUT], and the Technical and Allied Workers Union [TAWU] for ending the strike. The three called the strike December 1, after Blaize said he could not immediately pay out the 25 million dollars (one East Carib dollar = 37 U.S. cents) that had been due to public servants that day.

The unions said they would call off the strike if the government agreed on an early date for the payment, did not penalise workers for being off the job, and returned pay deductions made during a 1986 sick-out. "This letter has put rather a damper on the crisis situation. It has not solved our problem," said Clarkson, a nurse. "What we see as a result of this letter is that he (Blaize) is out there asking for a confrontation. This kind of tone leaves one to engage in further confrontation and we are not happy about that situation."

Clarkson stated that the workers are prepared to remain off the jobs until "definite steps" are taken by government to address their demands. "We are prepared to continue to struggle out there because we think and we are convinced that it is a just struggle," she said.

Like Clarkson, TAWU Executive Secretary Chester Humphrey chided Blaize for what he said was threatening language used by the prime minister against the striking workers. He said the unions were interested in a solution to the crisis and not an escalation and "the ball is in government's court. Frankly, (Blaize's) response to this is to escalate the strike and we would have to respond rather reluctantly to this ... subtle threat in the letter," he remarked. "We would not sit idly by and allow this kind of thing to happen."

GUT President Hudson McPhail, who also spoke at the press conference, said that if government continues to prolong the dispute the unions might seriously consider asking for interest to be paid on the money owed. "What has happened is that we could treat this thing as government having taken a loan from the workers," he explained.

The union leaders were also critical of what they said amounted to attempts by minister of state for tourism, Pauline Andrews, to break the strike. In a statement, the unions claimed that Andrews had mobilized "scab workers" in an attempt to try and clean the streets of Grenville, on Grenada's north coast, in the face of garbage pile up caused by striking sanitation workers. "We wish to restate that we view these actions very seriously, and again to advise government that this is not a route for a solution but a formula for escalation and confrontation," the unions said.

The union leaders have announced plans to meet with the Trade Union Council, the parliamentary opposition, private sector organisations, the police, and the Grenada Council of Churches in an effort to try and have the dispute settled.

Blaize To Convene Parliament To Seek Strike's End

FL0812020989 Bridgetown CANA in English 2340 GMT 7 Dec 89

[Text] St. George's, Grenada, Dec 7, CANA—Grenada Prime Minister Herbert Blaize on Thursday agreed to convene Parliament, seeking a way to end a strike by thousands of public servants that has gripped the country since Friday. The government announced the elderly leader agreed to a special sitting of Parliament next week during talks with opposition MPs.

Blaize abruptly prorogued Parliament in August, after it was certain that the two opposition parties would defeat him in a no-confidence vote. The special sitting is to approve a government plan to borrow 25 million East Caribbean dollars to honour a retroactive pay contract with public servants, overdue since December 1.

The meeting between Blaize and the nine opposition parliamentarians was held at the prime minister's official Mt. Royal residence outside St George's, the capital.

The three public service unions which called the strike over the non-payment of the backpay had suggested Blaize seek parliamentary approval to borrow the money. They had also called on the opposition not to use the occasion to topple Blaize.

Blaize is to meet the public sector unions tomorrow, when he will announce the date of the parliamentary meeting. The unions on Thursday despatched a letter to Blaize, telling him he must take steps to convene Parliament by Monday to get the approval.

"Failure to do so, will definitely result in national industrial action, beginning Tuesday...," they warned. "We wish to reiterate that confrontation is not in the national interest and we hold your government responsible for any chaos that would occur as a result of your high-handedness and callous attitude to the plight of the Grenadian workers," the Grenada Union of Teachers, the Technical and Allied Workers Union, and the Public Workers Union told Blaize.

Government Employees Call Off Strike

FL0812194989 Bridgetown CANA in English 1927 GMT 8 Dec 89

[Text] St George's, Grenada, Dec 8, CANA—A strike by thousands of government employees in Grenada was called off Friday. Union sources said the move came after Prime Minister Herbert Blaize agreed to meet most of the demands from the strikers.

The workers are to return to their jobs on Monday with Blaize agreeing to convene a sitting of Parliament on Thursday in order to get the necessary approval to borrow money to pay them. The strike was called one week ago after Blaize informed the leaders of unions representing the workers that he could not immediately honour an agreement on backpay.

Haiti

Newspaper Views U.S. Ambassador's 'Faux Pas'

FL0712205289 Port-au-Prince LE PETIT SAMEDI SOIR in French No 788, 2-8 Dec 89, p 1

[Article signed LPSS: "The American Ambassador's First Faux Pas in the Land of the Macoutes"]

[Excerpts] The new U.S. ambassador to Port-au-Prince, Alvin Adams, set foot on Haitian soil at 2000 on Friday 24 November 1989...with threats coming out of his mouth, just as he did in Vietnam and Djibouti, the only two places he has been posted before.

Even a week before, in his speech before the U.S. Congress, Adams revealed that he himself had asked President Bush to post him to Haiti, convinced, he said, that a combination of human intelligence and physical force can successfully lift burdens. [passage omitted] And he promised to "clear the stone-strewn field that constitutes Haiti" by directly applying the laws of physical force [la force physique] and those of human intelligence.

Since then, all indications are that the **ambassador-designate** has chosen to waste no time. Wishing to repeat his Vietnamese example, where he was special adviser for political affairs, and so the key Central Intelligency Agency official in Saigon from 1969 to 1972, Adams arrives in Haiti...with threats, as if he were entering a conquered country, as an arrogant proconsul, come to fulfill **his** mission. [passage omitted]

If there is a lesson to be learned from General Avril's decision to cancel the ceremony of presentation of the American ambassador's credentials to the government, it is that Prosper Avril, "the Macoute", showed himself, in this first open confrontation, to be more intelligent than Adams, the White Foreigner. Should Adams present his credentials tomorrow morning, he will have already received, in the land of the black Macoutes of Haiti, the slap in the face he deserves. The lesson of Vietnam will not be repeated here. There will not be a massacre like My Lai here. Unlike in Djibouti, no Haitian chief of state is going to go down on his knees publicly before the "representative of Christian civilization". Because of his decision, even if one had personal feelings against Avril, **he does deserve the respect of the sons of the national majority.**

He reminds us of the courageous acts of those before him who knew how to tell accredited foreign representatives in Haiti who were "out of line" a few local truths, when necessary.

Haiti needs America, but not the racist, arrogant America that humiliates the Third World, that, through Adams, was preparing to come insult and humiliate the black men of Haiti. In Haiti, we say "Hold it there, friend." If you greet someone with "Honor be unto you", the response will be "Respect be unto you." If you present yourself, however, as a little cavalier in the living room of the macoutes, you will be booted out, because when it it is a matter of honor, Haitians react—late, perhaps, but inevitably. And when they do react, they do not take into account either laws of morality or civilization or Christian principles. They stomp their feet. They say, **"Tone boule, fout!"** [expression of anger to the point of disregard for consequences]. And at that point, the earth will have trembled, even if it caves in under them.

We are blacks and macoutes. Our logic is that of a **"loaded donkey".**

Our people have suffered so greatly from the incomprehension and dominating colonialism of foreign powers that they are extremely sensitive. They get angry at the slightest derisiveness or teasing coming from foreigners [blanc]. And because he is black, macoute, and **Haitian**, even Prosper Avril can get mad.

Avril Message on Human Rights Anniversary

FL1112210489 Port-au-Prince Radio Nationale in Creole 1200 GMT 11 Dec 89

[Excerpts] Yesterday, 10 December 1989, was the 41st anniversary of the UN's Universal Declaration of Human Rights. On the occasion, interim Foreign Minister Wilner Dessources, who is minister of public administration and civil service, read a message from the president of the military government. Here is the president's message.

[Begin Dessources recording] People of Haiti: 41 years ago, the UN General Assembly adopted the Universal Declaration of Human Rights, the loftiest expression of the international community's determination to build a new order based on the prominence of man and human dignity, respect for the rights of man, and the guarantee of fundamental freedoms for all without distinctions of race, sex, language, or religion. [passage omitted]

This anniversary is once again an occasion to reaffirm our faith in the values and principles expressed in this declaration. It is an occasion to measure the distance traveled these last 4 decades. [passage omitted]

At this turning point of major importance in our history, the 17 September government feels it must stress forcefully that it has irreversibly chosen to promote and respect human rights. The greatest significance of the establishment of a true democracy—which continues to be my government's raison d'etre—is that, in the last analysis, it should permit fundamental rights and freedoms to bloom. [end recording] [passage omitted]

MOP Issues Statement Calling for Avril Ouster

FL0812164489 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 7 Dec 89

[Excerpts] The Movement for the Organization of the Country, MOP—formerly known as the Workers-Peasants Movement—which has its headquarters in Delmas and is headed by Gesner Comeau, issued a statement over the media yesterday evening asking the Haitian people to continue to mobilize and to reinforce the general mobilization. MOP expressed its support for the teachers strike under way, as well as for the strike by the nurses and resident physicians of the National University Hospital of Haiti. MOP also supports the employees of the Haitian Electricity Company, who are demanding security at work.

Here is the MOP statement, read by MOP Secretary General Emmanuel Victor Beauvais, himself a teacher.

[Begin Beauvais recording, in French] Port-au-Prince, 6 December, 1989. [passage omitted] One of the MOP's priorities is the release of Evans Paul, Jean Auguste Mesyeux, and Etienne Marineau. Another of our priorities is ending the unjustified persecution of the other members of the 17 September People's Organization [OP-17]. Consequently, the MOP asks its members, sympathizers and friends, as well as commerce, industry, artisans, workers, laborers, peasants, and youth organizations harassed by the police for no valid reason to take a stand now in order to rid the nation of the presence of Lieutenant General Prosper Avril and his hired assassins, who are accelerating the destruction of the Haitian people.

[Signed] For the Central Political Bureau of the MOP, Professor Emmanuel Victor Beauvais, Secretary General.

Periodical Criticizes Avril on U.S. Envoy

FL1112190389 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 11 Dec 89

[Press review]

[Excerpt] [Passage omitted] The periodical LE ROULEAU interprets in its own way General Avril's displeasure with Ambassador Adams' statement. Gen Avril wanted to show that he was not in a hurry to talk to a man so enthusiastic, so interested in discussing elections in Haiti. He felt that the ambassador, like the intelligent general, should have understood that the Haitian people are not ready for elections. The Avril team should, consequently, stay in power another 5 years so it can provide security, work, and food for the population and so it can change the situation of those poor little soldiers driving around in big Pajero and

Rocky jeeps, who are working irreproachably to defend democracy in Haiti, the periodical says.

The Chinese ambassador-for-life to Haiti so well understands the general's devotion that on 28 November, he took $1 million to the National Palace to give the general to help him with the Citizens' Grievances Program.

In any case, LE ROULEAU continues, the attitude of the general, who because of a diplomatic flu probably caused by germs from the trash heaps to be found on the streets of Port-au-Prince was not willing to receive the new U.S. ambassador, seems to have been inspired by a fake nationalism that has existed since the time of Papa Doc, who was a big inventor—a nationalism that pops up in all forms whenever foreigners attempt to lead us back to the path of reason. In the name of this fake nationalism, we plunder the state coffers; we confiscate power to the benefit of a single small clan, without taking into account the interests of the Haitian people; and we protest vehemently the minute any foreigner tries to say anything about it.

The statement the American diplomat made at Mais Gate Airport on 24 November, however, is in keeping with the desires of the majority of the Haitian people, who are waiting to see a democratically elected civilian government in the Palace.

LE ROULEAU thinks this government will continue to pull Haiti down into a hole if the general does not fire certain idiotic, thieving ministers—among them Commerce Minister Yvon Cesar and Agriculture Minister Frederic Agenor. The periodical thinks that if these ministers were not a group of incompetent, beggarly, mooching, crooked, wheeling-dealing opportunists, they would have resigned, in view of the failure of the government they are serving, even if only to allow the government—which has done a lot for them—to save face. [passage omitted]

Bishop of Jeremie Says Avril Must Go

FL1212211689 Port-au-Prince Radio Metropole in French 0945 GMT 12 Dec 89

[Excerpts] In Jeremie, Monsignor Willy Romelus, bishop of Jeremie, has said that it is not possible to hold elections in the current climate. He was answering questions from our correspondent Ertho Zamor.

[Begin Zamor recording] General Avril is not trusted by the Haitian people, and elections are not possible under this government, according to Bishop Romelus. In an interview he granted us last weekend, Msgr Willy Romelus once again triggered Operation Uproot-Cassava-Plants [Operasyon Rache Manyok, name given to an attempt to oust the Namphy government through social turbulence in the summer of 1987]. The bishop also talked about the men arrested on 1 November [Jean Auguste Mesyeux, Evans Paul, and Etienne Marineau], Gen Avril's visits to the provinces, and elections. He supported a common front by political parties, a sort of coalition—but not the kind being called for by the head of the Unified Party of Haitian Communists [PUCH]—for the next elections, which the bishop says will be organized by a more credible provisional government.

[Begin Romelus recording, in Creole] When I invite them to get together, cooperate, sit down and talk, I do not mean a coalition government such as perhaps the head of the PUCH is calling for. I mean with a view to running a single candidate—because other sectors might appear on the scene forcefully, especially given the way things are going at present. Who would run the risk of holding elections in a situation like this? Whereas if they were to present a single candidate, they would constitute a force capable of, as we said, standing up to the others.

Going by the words of the president-general and by the things he is doing, you cannot make up up your mind (?if) he (?really) wants elections or not. You get the impression that he would like to hold on to power. Now, it is not possible to [words indistinct] today. Only a small sector is today willing to allow him to remain president. Only a small sector is with him. All the rest of the Haitian people are complaining bitterly, complaining throughout Haiti. On the contrary, if a person [words indistinct], and if he really wanted the good of the Haitian people, he should (?give up), because everyone is complaining about him. Therefore, I myself just do not see how he can stay in power, and that is why I can't see how elections can be held under him, either. [passage omitted] [end recording]

Provisional Electoral Council Splits Ranks

FL1112180289 Port-au-Prince Radio Nationale in Creole 1200 GMT 11 Dec 89

[Text] [First announcer] According to a press release we have received, four members of the Provisional Electoral Council [CEP]—CEP Vice President Gabriel H. Augustin, Max Lelio Joseph, Dr Rony Durand, and Joseph Lesperance [representatives of the Court of Cassation, the unions, the university, and the government, respectively]—have distanced themselves from the other members of the CEP.

[Second announcer] Following the stand taken by Radio Liberte on a matter involving the CEP, these men have decided to explain to the entire nation that a five-member clique monopolized the CEP's leadership and made decisions without others' knowledge on all CEP affairs, even those that are binding on the nation's future. These four men say they regret the spectacle provided solely on the initiative of these five people, without their having anything to do with it. The five men in question went and extended their alms bowls to the ambassadors invited to Villa Moira, to ask for aid that did not fall within the framework of their work and which also compromised the CEP's independence. These four men say that the CEP's freedom and the nation's pride and dignity are being diminished daily through the decisions being made, decisions that are increasingly traumatic for Dessalines' [Haitian hero] country.

This press release also says that for the sake of truth and for history, here is the position of these four members on the draft 1989 electoral law.

These four CEP members say that, faithful to the military government decree of 31 March 1989 appointing the members of the provisional council of the Permanent Electoral Council, and to the law decree of 19 June 1989 governing the organization and functioning of the Permanent Electoral Council, in order to be able to fulfill the mission entrusted to them by the Constitution, these four members, out of a spirit of patriotism, abstained from any public protest when the draft electoral calendar was published on 23 November 1989. However, this spirit of abnegation and conciliation was interpreted by their other CEP colleagues as evidence of weakness.

Attorney Augustin, Dr Durand, Joseph, and Dr Lesperance say, furthermore, that since then, instead of improving, their relations with the other members of the CEP have further deteriorated. They say they do not know what sector is probably manipulating the five CEP members in question, who have exceeded their rights (?and) have violated Article 7 of their organic law. They have replaced the management council. They have decided, on their own, to impose all dictates without the participation of any of the other four members, who have signed this press release.

They also say that the five members of the CEP in question refuse to draft the internal regulations that would permit the institution to function properly. The five members have committed money to spending, made appointments, and dared to publish—without these four members' knowledge—the draft electoral law, which came as a great surprise and caused a big stir in all the newspapers in Haiti.

These four members of the CEP signing this press release say they have issued this press release to inform the population of the nation's nine geographical departments that they decline any and all responsibility for any consequences that might arise from the rash acts of the other five members of the CEP's management council.

This press release was issued on Friday, 8 December, at the CEP headquarters at No. 27, Pavee Street by CEP Vice President Gabriel H. Augustin, Dr Rony Durand, Max Lelio Joseph, and Dr Joseph Lesperance, who have sent a copy to the minister of justice.

Further on Electoral Council Internal Conflict

FL1212221089 Port-au-Prince Radio Metropole in French 0945 GMT 12 Dec 89

[Excerpts] [Announcer] The open crisis within the electoral council [CEP] dominates the news this morning, Smoy.

[Smoy] [Passage omitted] Yesterday, the two different sides of the CEP, parties to the conflict, finally decided to make public statements. Joseph Lesperance, the representative of the executive, who is among the members protesting, thinks the root of all the problems—of all the incidents, as Lesperance put it—lies in the fact that no internal regulations on the attributions of the different members of the CEP exist. [passage omitted]

For the side with five CEP members, Jacques Jovin and Pauris Jean-Baptiste gave their explanations. Jovin said the CEP would continue working regardless of the circumstances, unless the government dissolves the CEP by decree. Jean-Baptiste explained that the CEP members' only objective is the elections. A member has no mission other than to make preparations for elections.

Listen to Jacques Jovin.

[Begin Jovin recording] We have work to do, and we must do it regardless of circumstances, unless the government issues a decree dissolving the CEP. Until such a decree is issued, however, we will continue with our work, and progress must be made. I mean, when we meet as a management council, there is much work to be done. I myself am among those who show up when a meeting is called, so that things can get done. I am not among the group of people who were not present. [passage omitted] [end recording] [passage omitted]

[Nancy Roc] Heads of the administrative and financial departments, the voter registration and electoral rolls department, the voting operations department, the civic education section, the press and information service, and the data-processing and electoral operations support section have been appointed.

All these appointments are subject to a clause stipulating that there is a 3-month trial period, according to the CEP management council. Also, while waiting to appoint a general director, an inspector general, two inspectors and three directors provided for in the organic decree, the council has taken the following measures with a view to meeting the 1990 deadlines established by the electoral calendar:

CEP President Louis Antoine Auguste is also acting as general director. In addition to their other normal duties, CEP Secretary General Jean Gerard Pierre is supervising the head of the administrative service; CEP Treasurer Jacques Jovin is supervising the head of the financial service; CEP adviser Archange Leon is supervising the electoral operations; and CEP Vice President Gabriel Augustin is still in charge of the electoral litigation office.

Also, a last minute bit of information: The CEP management council informs us that after analyzing the facts, the council has decided to submit a detailed dossier to the minister of justice, who is by law in charge of relations between the executive branch of the government and the CEP. The CEP hopes that a solution—which conforms with democratic legality—will be found as soon as possible to the internal problems confronting the institution, so as not to hinder the normal unfolding of the democratic process.

CEP Member Forms Grande Anse Electoral Office

FL1212172789 Port-au-Prince Radio Nationale in Creole 1200 GMT 11 Dec 89

[Report by Lucker Laguerre from Jeremie]

[Excerpts] On Saturday 9 December, a member of the Permanent Electoral Council [CEP], Dr. Jacques Jovin, arrived in Jeremie to organize the Departmental Electoral Office [BED] for Grande Anse. He also held a news conference.

Dr. Jovin is the CEP member who will supervise the elections in the Grande Anse area. Forming the Grande Anse's BED are: attorney Edner Etienne, president; a vice president who will be chosen from Nippes [not further identified]; attorney Jusma Mercier, first adviser; Jean Mayard Germain, second adviser; Joseph Sila, third adviser; Joseph Jean Richard, accountant; and Miss Yolette Bazile, executive secretary.

Also, a new bimonthly magazine has been created in Moron. It is called ECHOS DE MORON and is directed by attorney Nerette Bonnet. [passage omitted]

Alleged Plotters Stop Hunger Strike

FL1212210089 Port-au-Prince Radio Metropole in French 0945 GMT 12 Dec 89

[Excerpts] [Announcer] After a 27-day hunger strike, Jean Auguste Mesyeux, Etienne Marineau, and Evans Paul yesterday decided to stop their strike temporarily, Evans Paul's wife said yesterday. Our reporter Rothschild has the details this morning.

[Rothschild] The three political prisoners arrested on 1 November went off their hunger strike yesterday at the National Penitentiary. The three men's hunger strike, which they began on 14 November to demand their release, will have thus lasted 28 days [as heard]. The three opposition militants, who have been imprisoned at the National Penitentiary for 42 days, ended their hunger strike at the recommendation of a private doctor who visited them yesterday. [passage omitted]

[Announcer] Meanwhile, 70-year old Artemise Paul is still on a hunger strike at the headquarters of the Episcopal Conference of Haiti [CEH]. She is demanding the release of her son Evans and his cellmates. [passage omitted]

Monsignor Romulus Delivers 6 Dec Prayer Message

FL0812190789

[Editorial Report] Port-au-Prince Radio Soleil Network in Creole at 1000 on 7 December carries a 10-minute report on a prayer message delivered by Monsignor Willy Romelus, bishop of the diocese of the Grande Anse. In his message, "Msgr Romelus asks God to make political leaders forget their personal interests, think of the nation instead, and agree to form a single bloc to elect a single person who they think might get Haiti out of the hole it is in today."

He asks that "God the Father take in hand the cases of the three political prisoners whom the judiciary has dumped into the National Penitentiary to die." Monsignor Romelus further says, "They say these men were plotting." If this were true, before anything else, they should have been brought to trial. "They were, however, mistreated instead." He continues by saying, "Those responsible for this deserve to be brought to trial and sentenced, because they have violated the law and debased the nation's Constitution."

Msgr Romelus goes on to say: "Make the Haitian people aware of their duty. Give the Haitian people your strength, so that they will have the courage to demand their rights with a courage rooted in your name."

Msgr Romelus concludes by asking God to "make the political leaders forget their insignificant personal interests and think about the nation and its children, who are dragging themselves on the ground. Make them resolve to come serve, and not be chasing after power, money and honors."

Sans Mamans 'Bandits' Preparing To Re-Emerge

FL1212172389 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 12 Dec 89

[Excerpt] [Announcer] In the latest news we have received, it appears as though the Sans Mamans are trying to make a comeback in Saint-Marc. Here is our correspondent Marc Andre Raphael with details.

[Raphael] Today, the population is secretly muttering, but no one knows where this muttering will lead. Everywhere in Saint-Marc when you see two people talking, you can be sure that they are talking about the Saint-Marc bandits that got away with murder, so to speak, under the Namphy government—the same bandits that set up a barricade in Freycinau to kill Father Jean Bertrand Aristide prior to the aborted 29 November 1987 elections], that tried to burn down the presbytery in Saint-Marc, that were involved in the Saint Jean Bosco massacre, that contributed to spoil the 29 November elections, and that also committed many other criminal acts.

These bandits named themselves the Sans Mamans. It seems these bandits are supposed to reappear under this government in better shape than they were under General Namphy's government.

A reliable source, in whom we can place great trust, informs us that these bandits have already held many meetings here in Saint-Marc and in Port-au-Prince. The bandits possess many heavy caliber weapons. This source also says that they have demanded the current government get them visas before they go into action. If it had not been for the misunderstanding between the

government and the American ambassador, they would have already had their visas.

Furthermore, the source recalled that in a statement made by Interior Minister Acedius Saint-Louis when he came to inaugurate the Sans Mamans' headquarters in Portail Montrouis under the Namphy Government [St-Louis inaugurated a "Club Verite" in Portail Montrouis under the Namphy government], St-Louis said the Sans Mamans were a necessity for the government, and that the service performed by the Sans Mamans for the nation was thus far unequaled by the Haitian Army. [passage omitted]

Human Rights Group Holds National Conference

FL1212174789 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 11 Dec 89

[Excerpts] [First announcer] The Common Front Against Repression [Fron Komen Kont Represyon], which has changed its name to National Front Against Repression [Fron Nasyonal Kont Represyon], has decided to go to the Dominican Republic to see what is happening in the cane camps in the Dominican Republic—at a time when there is talk of signing a contract between the Haitian and Dominican Governments at the expense of the Haitians.

[Second announcer] At the conclusion of the national conference against repression held Sunday 10 December at the headquarters of the Port-au-Prince area public transportation vehicle drivers union, approximately 150 delegates from all over Haiti changed the Common Front Against Repression into the National Front Against Repression. They also decided to form a delegation to go to express solidarity with Haitians in the Dominican Republic's canefield workers camps. [passage omitted]

At the beginning of the conference, several members of the conference initiative committee stressed how human rights are being trampled upon in Haiti, despite the fact that the Haitian Government signed the Universal Declaration of Human Rights. [passage omitted]

Dr. Paul Etienne, speaking in the name of the Center for the Promotion of Human Rights, used Articles 4 and 23 of the Universal Declaration of Human Rights to illustrate the difference between what is on paper and the way human rights are trampled upon on the other side of the border. [passage omitted]

After hearing testimony from several different victims of acts of repression in Haiti, the delegates broke up into workshops. They came up with resolutions to change the Common Front Against Repression into the National Front Against Repression; to send a delegation to express solidarity with the Haitians working hard in the Dominican canefield camps; and to allow Haitians wishing to join the Front to do so easily. [passage omitted]

Jamaica

Prime Minister Manley Outlines Political Views

FL0812190289 Bridgetown CANA in English 1539 GMT 8 Dec 89

[Text] Kingston, Jamaica, Dec 8, CANA—Jamaica's prime minister, Michael Manley, says his political thinking has undergone "tremendous changes" since the 1970s when he experimented with democratic socialism. Manley made the comment while answering a question from a panel of foreign journalists at an international conference of journalists here. He outlined the changes taking place in social democracy throughout the world and gave his views on democrazation and socialism.

Manley said Thursday that there had been changes in his view on the role of the state as the main engine of production in a society. He no longer believed in the capacity of an intervening state to be a significant agent in economic growth. He, however, emphasised that his views on wider participation in government and the building of a just and equitable society had been strengthened over the years.

On the role of Jamaica in the global economy, Manley said that it would be determined by "natural advantage". He cited the changes taking place in the world, adding that there was a re-evaluation of how one made the economy grow in a global economy which was undergoing transformation. Jamaica, he said, was going to try to engineer a major role for itself in the information revolution. The island was suitably situated to get into data processing and software development.

He spoke of Jamaica's advantage in the apparel and footwear industries and of diversifying agriculture to open new opportunities for small farmers for non-traditional products.

On his frequent overseas travels, Manley said that there had been a lingering perception about his administration from the 1970s which had to be addressed. When "serious issues of credibility" were at stake, Manley said, "there is no substitute for eye-ball to eye-ball" contact, he said.

Trinidad and Tobago

Radio Trinidad To Keep Journalistic Independence

FL1112185589 Bridgetown CANA in English 1658 GMT 11 Dec 89

[Text] Port of Spain, Trinidad, Dec 11, CANA—The McEnearney Alstons (Mcal) group, which last week finalised its buy-out of Radio Trinidad, says it will increase the number of directors.

A Mcal press release said that the group, which also owns the GUARDIAN newspaper, has promised to allow the station's journalistic independence to continue. "The

station's reputation for journalistic independence and broadcasting integrity will be steadfastly maintained," the brief release quoted Mcal Chairman Anthony Sabga as saying. The statement said that current Radio Trinidad Chairman Geoff Inglefield had accepted an offer to stay on running the company and that this invitation has been extended to other members of the present board.

"Mcal anticipates expanding the existing board to include persons of integrity to be drawn from a wide cross-section of the national community, representing spheres such as art, sport, culture and education with only a single director from the Mcal group," the statement said.

Sabga was briefly quoted as saying that Mcal planned to divest a portion of the company to the staff who had put in a counterbid for the country's oldest radio station. Mcal is still seeking a broadcasting licence to run the company. The Finance Ministry last week gave permission for the transfer of shares which will move Radio Trinidad ownership from Rediffusion (West Indies) Limited to the Mcal grouping for TT 9 million dollars (one TT dollar = 23.5 U.S. cents). Rediffusion owns subsidiary companies Radio Trinidad and FM 95.

Opposition PRD Wins Mayor's Race in Morelia

PA1212232989 Paris AFP in Spanish 2238 GMT 12 Dec 89

[Text] Morelia, Mexico, 12 Dec (AFP)—Samuel Maldonado, the 48-year-old candidate of the Party of the Democratic Revolution (PRD, center-left), today became the first member of that party to win a mayoral race in a state capital when he was recognized as the winner in the 3 December elections in Morelia, 210 km west of Mexico City.

PRD spokesman Agustin Razo said that Morelia, the capital of Michoacan State, with a population of 800,000, will be the only state capital governed by the opposition during the next 3 years.

The electoral committee of Michoacan State, bastion of former presidential candidate Cuauhtemoc Cardenas, reported that Maldonado received 21,197 votes; Fausto Vallejo, of the ruling Institutional Revolutionary Party (PRI), received 18,386 votes, and the National Action Party (PAN) received 16,811.

In Michoacan, a state where the PRD accused the PRI of committing fraud in the July 1989 legislative elections, the leftist opposition won in the 6 July 1988 presidential elections. Since then, the PRD has conducted seizures at mayors' offices, placed road blocks, and committed acts of violence.

So far, the official results in that state show the following results in the 113 mayoralty races: 43 for the PRD, 50 for the PRI, 2 for PAN, and 1 for the Authentic Party of the Mexican Revolution (PARM).

In July, PAN candidate Ernesto Ruffo became the first opposition candidate to win a governorship in Mexico's modern history. He won in Baja California State, on the border with the United States, and took office on 1 November.

Violence Erupts in Guerrero, Michoacan

PA1212200989 Hamburg DPA in Spanish 1742 GMT 12 Dec 89

[Text] Mexico City, 12 Dec (DPA)—Outbreaks of violence have caused the post-electoral climate to deteriorate and have heightened political tension in the Mexican states of Guerrero and Michoacan, where the center-left opposition voiced its protest over alleged fraud in the 3 December municipal elections.

Militants of the Party of the Democratic Revolution (PRD), which is headed by Cuauhtemoc Cardenas, reacted with indignation to the decisions announced by the Electoral Commission in favor of the ruling Institutional Revolutionary Party (PRI) in various districts in those two states.

In Michoacan—where Cardenism is strong—the Electoral Commission recognized PRI's victory in 50 municipalities, the PRD in 42, and two other opposition parties in 3. However, the vote tallying has not been completed in 18 of the 113 municipalities—including Morelia, the capital—where the PRD claims it won.

In Guerrero, electoral authorities have admitted victories for the PRI in 55 municipalities and 6 for the opposition, including 3 for the PRD, and left it up to the Electoral College to review the cases in 14 municipalities.

PRD militants occupied the mayors' offices in several cities in both states to demand recognition of their party's alleged victory. Yesterday, however, they were repressed by the police.

Mexico City newspapers today reported that at least six municipalities were disrupted, leaving 50 people injured. The most serious incident occurred in the town of Atoyac de Alvarez in Guerrero State, approximately 400 km southeast of the capital, where PRD members and policemen staged an all-out battle.

In another incident in Coyuca de Benitez, near the Port of Acapulco, indignant PRD members set the ruling party's office on fire.

The local press reported that there is great tension in Uruapan, the second largest city in Michoacan, where thousands of Cardenists protested "blatant theft" in favor of the ruling party. Soldiers patrol the cities to prevent incidents.

The opposition recognized that elections in Michoacan were clean, but claimed that the ruling party has tried to reverse the electoral results during the vote-counting process.

According to electoral authorities in Guerrero, the PRI won the mayoral elections in Acapulco, Taxco, Chilpancingo, Zihuatanejo, and Iguala, while in Michoacan it won in Uruapan and Zitacuaro.

[Words indistinct] recognize its victory [words indistinct] Michoacan's capital, and in Alcozauca, a town located in the mountains of Guerrero, which has had a leftist government for the past decade.

Extension of Economic Growth Pact Signed 3 Dec

PA1212180489 Mexico City EXCELSIOR in Spanish 4 Dec 89 p 24-A

["Pact for Stability and Economic Growth" extended to 31 July 1990 signed at the Los Pinos official presidential residence in Mexico City on 3 December]

[Text] 1. The sectors that signed the Pact for Stability and Economic Growth and the Federal Government consider it pertinent to evaluate the progress made in the economic stabilization process and to identify obstacles that still persist, in light of the political alignment and economic prospects under consideration for next year.

2. As a result of this evaluation and given the economy's favorable development over the course of 1989, the

sectors have decided to reaffirm their intention to continue to make progress in consolidating the stability of prices and the gradual recovery of economic activity, and have agreed to extend the deadline of the current agreement until 31 July 1990 with the following:

Agreements;

1. The federal government will maintain its pledge to observe strict discipline with regard to public finances to achieve the ends of the Revenue Law and the Expense Budget for 1990.

2. The labor and business sectors will recommend that their respective representatives at the National Minimum Wage Commission support the proposals that will be drafted by the presidency of that commission to:

Increase minimum wages by 10 percent effective 4 December; and

Ratify enforcement, as of 1 January 1990, of the minimum wage established according to the previous point.

3. The business sector will recommend that its union members make the new minimum wages established by the commission effective as of 1 December.

4. The increase referred to in aforementioned point 2 will not include contractual salaries. The labor and business sectors have reiterated their resolve to strive to maintain, in the revisions that concern them, an appropriate climate that will allow the sides involved to negotiate in the greatest freedom, in keeping with the spirit of this pact.

5. The federal government will double its effort to identify, analyze, and propose solutions for the cases referred to in agreement five of the current pact.

6. The labor, peasant, and business sectors will recommend that their representatives in the state Follow Up and Evaluation Commissions strive to closely supervise fulfillment of the agreements made and that they develop, jointly with state governments, greater capabilities for solving local problems.

7. The sides agree that the terms of the pact signed on 18 June will continue in effect.

The agreement was signed at the Los Pinos official residence on 3 December 1989, in the presence of the president of Mexico.

Honor witness, Carlos Salinas de Gortari

For the Federal Government: Arsenio Farell Cubilla, secretary of Labor and Social Welfare; Ernesto Zedillo, secretary of planning and budget; Jaime Sierra Puche, secretary of commerce and industrial development; Pedro Aspe Armella, secretary of finance and public credit; Jorge de la Vega, secretary of agriculture and water resources; and, Fernando Gutierrez, government secretary

For the labor sector: Lorenzo Duarte Garcia, president of the Labor Congress; Fidel Velazquez Sanchez, secretary general of the Confederation of Mexican Workers; Roberto Castellanos Tovar, secretary general of the Revolutionary Confederation of Workers and Peasants; Ignacio Cuauhtemoc Paleta, secretary general of the Mexican Workers Regional Confederation; and, Francisco Hernandez Juarez, secretary general of the Trade Union of Telephone Operators of the Mexican Republic

For the peasant sector: Maximiliano Silerto Esparza, secretary general of the National Peasant Confederation; Jesus Gonzalez Gortazar, president of the National Confederation of Small Agricultural, Livestock, and Forest Properties; Hugo Andres Araujo de la Torre, union coordination secretary of the National Peasant Confederation's National Executive Committee; and, Cesar Gonzalez Quiroga, president of the National Cattlebreeders' Confederation

For the business sector: Rolando Vega Iniguez, president of the Business Coordinating Council; Eduardo Garcia Suarez, president of the Confederation of National Chambers of Commerce, Services, and Tourism; Luis German Carcoba Garcia, president of the Confederation of Industrial Chambers of Mexico; Jorge Ocejo Moreno, president of the Mexican Employers Confederation; Jorge Kahwagi Gastine, president of the National Association of the Processing Industry; Lorenzo Servitie Sendra, representative of the Mexican Businessmen Council; Clemente Cabello Pinchetti, president of the Mexican Association of Insurance Companies: Jose Manuel Caso Menendez, president of the National Agricultural Council; Alfredo Harp Helu, president of the Mexican Association of Stock Brokers; and, Jose Maria Alverde Goya, president of the Mexico City National Chamber of Commerce.

Salinas Comments on Extension

PA1112184089 Mexico City EXCELSIOR in Spanish 4 Dec 89 pp 1, 10, 51

[Text] President Carlos Salinas de Gortari has stated that the measures agreed upon with the expansion of the PECE [Economic Growth and Stability Pact] "gives us a horizon of certainty from which we can watch, with trust, the viability of our goals for 1990," and that the 10 percent wage increase "allows the gradual recovery" of wages, since "businessmen have pledged not to transfer in a generalized manner the increase in costs foreseen in the pact."

In his speech during the ceremony where labor, peasant, and business sectors extended the PECE until 31 July, the president stressed that the prices and fares the government may have to review nationwide will only experience a moderate increase, below the minimum wage. "This is the first time in which wages increase more in terms of percentage than fuel prices."

In Lopez Mateos Hall of Los Pinos Presidential Palace, where the extension of the pact was signed, the president

said: "Such close and favorable relations between goals and results had not been seen for some time. I recognize this as one of the virtues of a consensus. When the pact ends, the inflation rate will be close to the initial objective, the lowest in a decade; the economic activity will be close to three percent. In real terms, the original estimates will be duplicated. The behavior of public finances shows strict compliance and discipline. Wages are gradually beginning a real recovery. [quotation marks as published]

The president also said that 90 percent of international creditor banks have replied, meaning that the contracts on the renegotiation of the foreign debt will be ready for signing. Addressing labor leader Fidel Velasquez, business leader Rolando Vega, peasant leader Maximiliano Silerio, and members of his Cabinet, Salinas added that the aforementioned progress, to which the spirit and terms of the PECE significantly contributed, "encourage us to reach the goals we proposed for 1990, with the fundamental purpose of further consolidating price stability, the sole way to achieve sustained growth."

He noted that that is why the objective is to grow in a moderate way, without excesses, while at the same time increasing the resources alloted for investments and raising social welfare, especially for the needy. He noted that the consensus reached with the extension of the pact provides an efficient and equitable solution to cases that affect minimum wages and some prices with excessively high subsidies, a situation that is more compatible with the favorable result contractual wages that have been negotiated, and will continue to be negotiated case by case, within the framework of liberty among the sides have had.

Salinas de Gortari clarified that any measure that results in the shortage of any product, or endangers the industrial system in any way, will be examined carefully, as has always been done. He stressed, however, that the manufacturers have promised not to pass along their costs across the board to consumers.

The president also said that the moderation in prices sought by the pact is the best way for wage talks to result in real benefits for the workers.

In his speech, he ratified his government's commitment to strictly controlling government finances to achieve the surplus stipulated in the nation's income and expense budget. Meanwhile, the currency exchange situation continues its downward trend, providing the trust and stability in which the economic policy will properly evolve. This trend will also ensure an orderly operation of the financial markets.

The president said that the usual year-end economic changes will have broader horizons, giving everyone more certainty and ability to operate.

He said that the people are aware that the pact is a flexible and efficient instrument which has preserved their buying power and eliminated many everyday worries.

He said that most people consider the pact not a price freeze, but a guarantee of general stability against unauthorized price hikes.

The president said that for production sectors, the pact allows, as never before, dialogue on the national economy's current situation and perspectives. It is a forum where sectors can participate in decisions that affect economic policy, defending their own interests, while respecting the interests of others.

He said that the pact ensures that when legitimate private interests progress, so do general interests.

He said that the government considers the pact an additional instrument for conducting the nation's economy according to current demands for participation and justice.

He promised to maintain a proportion and sense of equality, saying that the progress made so far and perspectives will prevent any generalized or staggered price increases. He said that there will be flexibility in the government, as well as in the private sectors.

He said: "We have the determination to set common goals and we know how to achieve them jointly" thereby contributing toward bolstering the national economy, attaining better living conditions for the people.

He concluded, saying: "We are making changes that give us more strength and respect abroad and more opportunities for our people."

Caro Quintero Sentenced; DEA Agent Case Closed

PA1312052589 Mexico City XHTV Television in Spanish 0200 GMT 13 Dec 89

[Text] In Mexico, the case of the Drug Enforcement Administration [DEA] agent who was murdered by Mexican drug traffickers has been closed. Two drug trafficking bosses—as well as 22 other drug traffickers—will be serving long sentences.

Rafael Caro Quintero and Ernesto Fonseca Carrillo will have to spend more than 40 years in prison after having been found guilty of kidnapping and murdering DEA agent Enrique Camarena Salazar and Mexican pilot Alfredo Zavala. This information was provided by Mexican Attorney General Enrique Alvarez del Castillo.

[Begin Alvarez del Castillo recording] They acted against Enrique Camarena. They also acted against the public's health by planting, cultivating, harvesting, transporting, selling, and trafficking marijuana. They also acted against the public's health by supplying cocaine. They conspired to commit crimes. [end recording]

The two drug trafficking bosses have also been found guilty of possessing firearms that are used exclusively by the Army.

Caro Quintero was captured in San Jose, Costa Rica in April 1985. He is considered to have been one of the

strongest drug trafficking bosses in the Americas. A few months ago he was sentenced to serve 34 years in prison for planting, producing, selling, and trafficking marijuana from operations that were coordinated from the Bufalo Ranch, in the Mexican state of Chihuahua.

Caro Quintero will have to serve the two sentences separately.

[Begin Alvarez del Castillo recording] In passing sentence, the judge said that the penalty for the crimes he committed totals 116 years in prison. [end recording]

Mexican law, however, does not permit sentences of over 50 years for any offense. This means that the former drug trafficking boss, Caro Quintero, will have to serve the 34-year prison sentence resulting from the first offense and then the 40-year sentence announced today by the Fourth District Court justice in Guadalajara, Jalisco.

Caro Quintero, 34, will spend 74 years in prison.

Ernesto Fonseca Carrillo, 60, was first sentenced in Ciudad Juarez, Chihuahua to 13 years in prison. Today he was sentenced to serve 40 years. This means he will be behind bars for approximately 53 years.

Mr Alvarez del Castillo announced that the properties of these two traffickers will be seized.

[Begin Alvarez del Castillo recording] The sentence also orders the seizure of all the property owned by the guilty people. The sentence also decrees that firearms, cartridges, and explosives found in the culprits' possession be seized. [end recording]

Twenty-two other traffickers were sentenced to serve sentences ranging from 2 to 40 years in prison.

The federal government has announced that with these sentences, Mexico considers the Enrique Camarena Salazar and Alfredo Zavala murder cases closed.

More Aggressive Drug Campaign To Be Launched

FL0912005989 Mexico City NOTIMEX in Spanish 2343 GMT 8 Dec 89

[Text] Mexico City, 8 Dec (NOTIMEX)—Javier Coello Trejo, deputy attorney general, reported today that the Attorney General's Office (Fiscalia) will launch a more aggressive, forceful, and patriotic fight against drugs next year. He added that the Mexican Government believes it is not necessary to militarize the borders of Latin American countries to eliminate drug trafficking and nobody will be allowed to violate the country's sovereignty.

Coello Trejo said militarization of the border is in no way the last resource to combat drug trafficking and added that the Americans should continue working in their country, where the drug consumption problem is more serious. He asserted: We are zealous about our duty and we will not allow our country's sovereignty to be violated. The Mexican Government has given instructions to continue fighting against drug trafficking.

* Border Specialist Cautions Ruffo on U.S.

90EM0040A Mexico City EXCELSIOR in Spanish 6 Nov 89 pp 6-A, 8-A

[Article by Jorge A. Bustamante in "Northern Border" column: "Ruffo and Neighborliness"]

[Text] Baja California (BC) has entered optimistically into the initial days of the administration of its new governor, Ernesto Ruffo Appel. This beginning is taking place at a time when the unknown factors inherent in an unprecedented governmental experience have barely been clarified. For the time being, the civilized attitude which has characterized the actions of the leaders of all of the parties in state politics since Oscar Baylon Chacon took office continues to prevail. He has set an example of seriousness and good judgment in the political affairs of the state. During the end of the first week of the new government, Governor Ruffo's principal colleagues were installed, one after another, in ceremonies characterized by the same images and symbolism as were seen in the ceremony held on 1 November in the state capital.

These ceremonies were attended by the outgoing official, and they transpired in an atmosphere of great courtesy and civic responsibility. The example was set at the ceremony held to install Governor Ruffo, who shared the dais with the outgoing governor, Baylon Chacon, and President Salinas de Gortari. The other ceremonies held since then have been characterized by a format reflecting equal civic cordiality on the part of the outgoing official and the man assuming office. While this is a format in which we see the faces of the individuals but cannot know what is in their hearts, there is nonetheless a notable style of conduct which, being repeated on various levels of the government by the outgoing and newly installed officials, is establishing a praiseworthy pattern of civic conscience. This is noteworthy because it did not characterize the previous installations of governors nor those of their closest colleagues, even when the change occurring involved officials in the same party. Who would have thought that a changeover from a PRI [Institutional Revolutionary Party] to a PAN [National Action Party] state government would be characterized by a higher level of civic conscience than one involving outgoing and incoming officials of the same party?

What a distance can be seen between the recent political experience in Baja California and the statement "we have shot our way into power and that is the only way they can get us out of here." It should be a source of satisfaction to those who govern and those who are governed in Baja California that the transfer of state government is taking place in a way which merits becoming a precedent and an example. Although in fairness it must be explained that nothing of the exemplary process we are seeing now in Baja California could have happened without the "personal style of governing" of Carlos Salinas de Gortari. This seemed to have been realized by the euphoric audience witnessing the installation of Ernesto Ruffo, to judge from the ovation offered in tribute to the president of the Republic. The

emergence of support for Salinas in the PAN is a curious phenomenon no one could have foreseen. Perhaps it would be more accurate to interpret the enthusiasm expressed by an opposition crowd as an extension of the consensus extending beyond the boundaries of his own party which the president of the Republic has achieved. The fact is that the people of Baja California have distinguished themselves in the past 2 years, in that their votes, or their assessment of their politicians, has been more an individual matter than one of party discipline.

It is to be hoped that the relationship between the new governor of Baja California and the federal government will develop. A kind of honeymoon has begun for the two constitutional heads of their respective executive branches in the federation and the state. It should surprise no one that this honeymoon is as temporary as that of a pair of newlyweds. Soon the disillusioning discoveries will come, just as when it develops that the husband snores or that the wife goes to bed with cream on her face. Or, to an even greater extent, on day one spouse asks the other for money and it develops that the real income of the couple is very different from what was represented during the courtship. And what is lacking begins to discourage the young couple. Continuing with this irreverent analogy, we all hope that no infidelity will develop in this new union, and that the transition will be made from the honeymoon to maturity within the canons of the federal pact.

The challenge this poses to Governor Ruffo is not an easy one. There is one respect in particular wherein the risks may be very high. It pertains to the exclusive authority of the president of the Republic to determine foreign policy, as provided by Article 89, Section X, of the Constitution. It will not be long before the new governor of Baja California finds himself tempted to do or to refrain from doing something which has to do with the United States, and would entail a foreign policy action. If he knows his "neighbors" well, it will not be long until they offer the new governor "aid," the acceptance of which would involve commitments which would technically represent foreign policy actions with an effect, to some extent, on the national sovereignty. I would venture to predict that the first offers of aid which will come "from the other side" will fall within the context of public security. The premise for this offer will be that the new state government is not in a position to meet the "intelligence" needs arising from a situation in which a governor of the party in opposition to the regime cannot have trust in a federal government controlled by the other party. Therefore, there is sure to be someone in the neighboring country to whom it will occur to offer Ernesto Ruffo an "intelligence service" (made in the USA). If this hypothesis were to prove correct, the danger would be that all communications between representatives of the federal government in Baja California and the DF [Federal District] will be known on the other side of the frontier first, and then in the office of the chief executive of BC.

On the other hand, the new state government will also receive proposals for "joint operations" between the police in Baja California and the police on the "other side," for the apparently plausible purpose of combating crime. This would not be the first time such propositions have been received. Very often, a new public safety officer on a certain level whose sphere of action includes the northern frontier is offered special treatment by his colleagues in the neighboring country, usually on a higher level than that which protocol would assign to the Mexican official. The impact of this treatment on the ego of the Mexican public servant has produced very specific effects in terms of arrangements to carry out joint police operations. They have sometimes been inconsistent with the express policies determined by the president of the Republic or the secretary of foreign relations.

Governor Ruffo could avoid a number of headaches if he were to choose an adviser who is familiar with the rules of international law and the foreign policy principles, as well as their normative framework, so that he would be able to warn him of the foreign policy implications his dealings with representatives of the Government of the United States might have, on the various levels on which he might be sought out. On the other hand, Secretary of Foreign Relations Fernando Solana could save himself many headaches if he were to attempt to establish certain rules of the game with the governor of Baja California, before the lack of any norms causes a misunderstanding between Ernesto Ruffo Appel and the federal government concerning the governor's relations with the United States.

El Salvador

Cristiani Gives News Conference After Summit

PA1312034489 San Salvador Radio Cadena Cuscatlan in Spanish 1800 GMT 12 Dec 89

[News conference by President Alfredo Cristiani with unidentified moderator and reporters in San Salvador on 12 December—live or recorded; monitored in progress]

[Text] [Cristiani]... He [Ortega] was facing a fact he could no longer hide: He is the one who is spreading armed revolutions in Central America and trying to hamper democratic processes in the region. Once more he has been caught not honoring the commitments agreed on in Tela, but rather violating these commitments. On this occasion he has been left with no possible defense.

Therefore, in our opinion, he has no option other than to accept the reality of what is happening in Central America, or see himself totally isolated amid a peace plan that has international support. This situation would cause him many problems and headaches in political and diplomatic matters. He could do nothing but accept the reality. He could no longer defend the position that the Nicaraguan Resistance was something special and the FMLN [Farabundo Marti National Liberation Front] was something else and was justifiable. It is now clear that he has run out of tricks and has to accept what all the remaining four Central American presidents are aware of and defended at the Costa Rican summit. Now, if in their strategy they sold out the FMLN, as has been mentioned here, they will have to give some explanations to their FMLN friends. That is a problem between him and the FMLN.

What should be of interest to us is that the FMLN's violent and terrorist actions are no longer justified from any point of view. This has been clearly and strongly emphasized in the Costa Rican agreement. In this regard, I repeat that the Salvadoran Government is willing to resume the dialogue process from which the FMLN unilaterally withdrew. However, at this time it is necessary for the FMLN to openly promise—and this is strongly demanded by the Central American presidents, including the Nicaraguan president—that it will cease terrorist actions, especially those affecting civilians. Obviously a total demobilization and return to the democratic process—with the guarantees that must be given to the FMLN members—will be the result of the dialogue process. This is how we understand and view this matter. The demobilization of the Nicaraguan Resistance will be the result of a convincing effort by the Nicaraguan Government, which should provide the necessary guarantees. In the same document, the Sandinist Government has unilaterally vowed to ensure those guarantees.

It is also important to point out that the Central American presidents asked the United Nations to also join the CIAV [International Support and Verification Commission], so the CIAV will begin and implement the process to demobilize the FMLN. This is basically the desire of the Central American presidents. If the FMLN wants to gain political advantages, it should pursue this within the democratic process because it can no longer be justified and has never been justified. However, today we are strongly telling the FMLN that there is no longer any room in Central America, and especially in El Salvador, for violent and terrorist actions.

[Reporter] [Question indistinct].

[Cristiani] Well, as I said before, we believe that the demobilization process being discussed for any rebel organization should be a complete process with their participation in a democratic process. It is a process that is adapted to fit the circumstances. An international organization is in charge of verifying this process. We believe the organization has the necessary authority to do it, and it should not be a matter of looking for other options because they do not exist. We have no other options besides the ones that have already been designed for both the Nicaraguan Resistance and for the FMLN, specifically. In general terms these options could be applied to any rebel group in the region.

[Moderator] Luis Fuentes from PRENSA GRAFICA. Carlos Ernesto Rugama from Radio Cadena YSU.

[Rugama] [words indistinct] ...diplomatic and trade relations with Nicaragua. How can the reestablishment of relations be achieved?

[Cristiani] Point 12 of this declaration makes a fraternal call to El Salvador and Nicaragua to seek the normalization of the diplomatic and consular relations through dialogue and negotiations. We made the decision to temporarily suspend the relations with Nicaragua because of the flagrant violation of the Esquipulas agreements. They were directly supporting the FMLN's terrorist aggression. In Costa Rica we gave them a document that clearly defines El Salvador's position regarding possible negotiations which could normally reestablish the diplomatic and consular relations. This document was not discussed by the five presidents because it only concerned two of us. However, the document was given to the Nicaraguan delegation and we will wait for the results. We believe that in general terms it could stop Nicaragua's interference and its support for the FMLN.

[Moderator] Maria Cortina from NOTIMEX.

[Cortina] [Words indistinct] ...to immediately initiate the dialogue process. In addition, they have to publicly stop conducting actions against the civilian population. That was part of the proposal you made here on Saturday. However, I am not yet clear on something. To initiate the dialogue process, does the FMLN have to declare a cease-fire or would a public declaration be enough?

[Cristiani] Well, we maintain the position we stated on 10 December. We believe that Point 3 of this declaration upholds what we have been doing all along regarding the search for a peaceful solution to the Salvadoran conflict. The Central American presidents want the FMLN to publicly state that they will immediately suspend all the violent actions that are directly or indirectly affecting the civilian population. We believe that it is not enough to make a public statement. They must keep their word. We believe that there should at least be a 5-day period between the public statement and the beginning of a dialogue. We maintain the position—that is, the Central American presidents and myself—that no hostile actions by the FMLN are justifiable. We believe that the FMLN should stop carrying out all hostile actions in the country. This indicates two things that must be understood. First, the FMLN are the only ones conducting hostile actions. The government and the democratic institutions that belong to it do not generate hostilities. They simply respond to the actions of armed groups that are interested in making trouble and overthrowing a legitimate government. The government has the constitutional right to a legitimate defense and to the preservation of national security in favor of the Salvadoran people, as the Constitution states. Secondly, the FMLN has lost all maneuvering options. The Central American presidents said it clearly when they stated that the FMLN had no justification for their violent actions in El Salvador. That is why we are once again asking for an immediate and effective cease-fire. These were the same words used at the summit held in Tela, Honduras. However, I repeat, we will maintain the position we had before, even though we totally agree with this document.

[Cortina] [Question indistinct].

[Cristiani] Not complete, but all those terrorist actions that adversely affect the civilian population.

[Moderator] Margarita Arteaga from ACAN-EFE.

[Arteaga] [Words indistinct] regarding another case. Yesterday at the courts we learned of a bulletin regarding the Jennifer Casolo case, in which the defense lawyer points out some irregularities in her trial. One of the things he notes is that since the beginning of the year, until the arrest of this person, there was no special law regulating these cases. Later on, the Legislative Assembly approved a bill allowing changes to the law, but only after she was arrested. This person should not be tried under a law that was passed after her arrest. We would like to know what the government will decide on this, because the new law should not be in effect in this case.

[Cristiani] First, the case is obviously being handled by the judicial branch, not by the executive body. It will be the judicial branch, through its appropriate courts, that will decide the enforcement of the law in all cases. That is out of the hands of the executive branch; it is in the hands of the Judicial Branch. We believe the country's laws should be respected and they should be enforced accordingly, but we cannot make any decision that affects this case because the judicial branch is handling it.

[Arteaga] [Words indistinct] ...state of seige in the country, with all the new situations that have arisen following the FMLN offensive.

[Cristiani] It is still the problem of the judicial branch. The executive branch has the authority, through the Council of Ministers, to declare a state of emergency, but the enforcement of the state of emergency, with laws or regulations that were either passed before or after the enactment of a new law, is totally up to the judicial branch. The executive branch has nothing to do wit this, even though it is a result of laws or decrees issued by the executive or legislative branch. The executive branch is here to issue decrees and to submit bills. The legislative branch has the authority to pass bills, but the judicial branch is in charge of enforcing the law. The judicial body will decide on this case, not the executive branch.

[Moderator] (Pablo Yacu).

[(Yacu)] As opposed to the plan for the demobilization of the Nicaraguan Resistance, which has seen many difficulties and delays and is supposedly easier because most of the contras are based in Honduras and not in places that are hard to locate, how does your government plan to demobilize the FMLN? Will your government admit they are located in certain parts of the country? How will the government propose to demobilize the rebels?

[Cristiani] It was clearly stated in the Costa del Sol agreements that all the plans for demobilization were voluntary. In this regard, it depends on the desire of the rebel groups to join the democratic processes in their respective countries. That is why we have always mentioned the need for a dialogue that could contribute to their demobilization. There is a procedure that can be followed to make the move from an armed rebel group to a legal political group. It has already been established and was approved by five presidents. The problem in Nicaragua lies in the Sandinist government's lack of capacity to convince the Nicaraguan Resistance members of the benefits of joining their process. In my opinion, it has done very little because if they say come and join this process, and at the same time they suspend their cease-fire, the signal is totally the opposite.

In the case of El Salvador, this is not a matter of the irregular group being around San Salvador, in Guazapa, or Chalatenango—wherever they may want to operate. We believe that the demobilization process is applicable if the group ceases to be an irregular group, something that no longer has any justification, to become a political or a civic group in the framework of a legal process.

The message here is that the presidents no longer want or justify irregular groups in the region, and irregular groups have no reason for continuing in the region. This includes the Nicaraguan Resistance, the FMLN, and

other groups, such as those that may exist in Guatemala. If Guatemala were to ask that a problem in that sister country be considered, we would have to consider it because it is the same situation.

Support and verification by the United Nations and the OAS has been requested through an organization known as CIAV. The first thing to do is to cease terrorist activities, initiate the dialogue process, and then demobilize and become a legal group that would function in the framework of Salvadoran laws.

[Moderator] Maria Dolores Arguiaq from Radio Nacional, Spain.

[Arguiaq] Continuing with the Nicaragua parallelism, is there the possibility of having a cease-fire before or after the Venezuela meeting as a first step toward other measures that could put an end to the war? My other question is: The United Nations has been explicitly asked to prepare the resumption of the dialogue. Has there been any preparation? Has the church made any preparations in this regard?

[Cristiani] Well, [1-minute break in reception] That has nothing to do with that. An end of hostilities is basically like saying: Do not carry out terrorist activities against the civilian population. It is better to define meanings and not to use terms that create problems of semantics. What is your second question?

[Arguiaq] [Question indistinct].

[Cristiani] Naturally. Somebody else has also asked me if we have had any contact with the FMLN. This agreement was signed at 0400. At 0700 we got on a plane, and here we are now. We have not had time to speak with Mr Perez de Cuellar, much less with the FMLN. However, this information will be passed to the United Nations because there is much to be asked of the United Nations. We have been confronted with the pleasant surprise that representatives of the UN Observer Group in Central America [ONUCA] are already in the country, to be installed.

Mr Ortega, who had gone there with the position that as long as the resistance is not demobilized he would not accept ONUCA, had to abandon that position because it was irrational, and ONUCA will be asked to go to Nicaragua immediately.

The agreement will be reported to Mr Javier Perez de Cuellar. He will also receive a request from El Salvador that he work in favor of resuming the dialogue process. The agreement has special contents. It does not mention other countries by name because the Central American presidents have tried to produce a document that is very respectful of countries from outside this area, but it is undeniable that there are states that are negatively affecting the situation in Central America. The United Nations and the UN secretary general, especially and personally, are being asked to help make states that meddle in the region see that they must help the peace process promoted by the Central American presidents. Obviously I do not have to mention the names of the countries I am referring to.

It is necessary to understand that we are trying to find a real solution, to see that all the factors that have been exerting influence, whether negative or positive, work in a positive way. The United Nations, which comprises all these states, is in a better position to carry out this work.

[Moderator, in English] We will now move on to the questions in English. (Daniel Alder), UNITED PRESS INTERNATIONAL.

[(Alder), in English] [Words indistinct] the FMLN has made in the past. Is their position still very different from the position of the government on the conditions for a cease-fire?

[Cristiani, in English] Yes, and it is not necessarily by what maybe you and I understand what cease-fire might mean. It is simply the definition that the FMLN attaches to the cease-fire, and they say internationally verified in place cease-fire. Those are the words they used. That, in other words, means that they are asking for territory under their control. This is not only something that the government is not willing, but is also incapable of doing, because it would be totally beyond the rule of law in our country.

So the definition that the FMLN attaches to the phrase cease-fire is unacceptable. We would differ, and that is why we are simply not using maybe words like cease-fire or truce or cessation of hostilities, which is something that bothers them because of semantical problems. We are simply describing what we want them to do, and in this case, we are saying that you have to stop all violent actions that affect directly and indirectly the civilian population of El Salvador.

Now some people might call that a cease-fire; others might call it cessation of hostilities. I don't want to get into a problem with the FMLN of defining what we mean, and I am not really worrying about... [changes thought] but the definition that the FMLN attaches to that cease-fire is totally unacceptable.

[Moderator] (Douglas Mines), [word indistinct].

[(Mines), in English] You have talked about amplifying and accelerating the mandate of ONUCA. If the FMLN does not accept this call made by the five presidents, could you imagine the circumstances under which there would be hundreds or perhaps even thousands of UN peacekeeping troops, gathering together guerrillas and taking their arms away from them, or will it be that will fall on the Salvadoran Armed Forces?

[Cristiani, in English] No, definitely there will not be anything over what is called for verifying, first of all, the use of one country to help the irregular armed groups in other countries and to prevent, as best as possible, trafficking of weapons between one country and the other. Obviously, this will never be in the thousands, not

even 1,000, but rather I think ONUCA is planning somewhere near 200 in the case of El Salvador, because they have to take care not only of land borders, but also air and sea, to prevent weapons flowing from Nicaragua through the free route.

Obviously there is only the extension of the role they have been asked now is to verify and aid in the case of the demobilization of irregular groups in the different countries. That is to say that now, not only the CIAV will be working with the demobilization, but it will be a joint effort between CIAV and ONUCA. But obviously if the FMLN persists in its violent attitude, it will not be any foreign force that will deal with the FMLN. It will be the Salvadoran Armed Forces that will deal with the FMLN.

[Reporter] [Question indistinct].

[Cristiani, in English] I just met him walking down the (?set).

[Reporter] [Question indistinct].

[Cristiani, in English] Well, that is what they are here for. This is the second time they come down. The first time, they basically were trying to get acquainted with the environment of the country they would be working in. In this case, they are more into the logistical preparations, where they are going to stay, what are they going to bring, where they are going to keep the helicopters, they are supposed to bring in whatever, and the different stations they would be using, and that sort of thing. We have asked, the five presidents have asked, that they accelerate this process and that they become present as soon as possible, not only in El Salvador but in Managua, Nicaragua, where the Sandinista government has denied the entry of ONUCA, but after this agreement, they will now have to accept ONUCA in Nicaragua also.

[Moderator] Ivan Gonzalez, LOS ANGELES TIMES.

[Gonzalez] [Question indistinct].

[Cristiani, in English] Well, I think two of them laughed. The other one kind of, you know, read it with a lot of dismay which might mean that they simply were saying this was too much gall on the part of the FMLN after what they have done to send the letter to the presidents, sort of like looking like they were still the Robin Hoods here in El Salvador, and that the government was the one creating the problem. It was never discussed, any of the proposals, and I think there were three or four, because after the first one, the [word indistinct] through President Carlos Andres Perez, Ortega had another one, somebody else brought in another copy. None of them were really discussed within the meetings of the five presidents. I think all the presidents were clear on what the FMLN should be held accountable for, and secondly what the FMLN should do because of what they have done.

[Moderator] Adrian Cuff from REUTER.

[Cuff] [Question indistinct].

[Cristiani, in English] I have no idea. I just got back. I mean I do not know. I would have to find out. I do not know.

[Moderator] (Lindsey Gruesome).

[(Gruesome), in English] [Words indistinct] What happened to that demand? And do you expect any action on that under the agreement signed here [words indistinct]?

[Cristiani, in English] Well, obviously that would be part of the bilateral agreement that I was discussing on a previous question, which is what the presidents have asked Nicaragua and El Salvador: to start a direct dialogue and negotiations to try to bring diplomatic and commercial relations between the two countries back to normal.

What you just stated is one of the demands in the document we left with the Sandinist government. We have not yet received any reply from that document. It was not a document that we presented for discussion in front of all the presidents. We simply gave the Nicaraguan Government a copy of the document and we distributed copies of the document among the other presidents also, but did not expect any discussions on it. This is a bilateral problem.

[Reporter, in English] [Words indistinct] on the way [word indistinct] country has used its territory to help insurgencies in other countries and therefore [words indistinct] part of the overall agreement. And are you saying there is really, at this point, no agreement on that point?

[Cristiani, in English] At this point I can tell you that the three other presidents of the region support this decision that the Salvadoran Government made with respect to that specific point and other points included in the document that we presented the Sandinist government with. But the position in the meeting was that if there was going to be any agreement in which Nicaragua was to sign—which is what we had at the end—it was not really the time to try to either condemn or try to ask the Nicaraguan Government to do something at a petition of the other four presidents, and this petition not being of consensus of Nicaragua, because the agreements and the Esquipulas II agreement were all by consensus.

Therefore, the resolution here was that this should be moved through bilateral discussions. Obviously relations between the two countries are a bilateral problem, and although there is a very clear violation of Nicaragua in helping the FMLN in El Salvador—and that is stated in the document—and although what the Salvadoran Government demands is something that could bring about the normalization of relations between the two countries, it is still something that would be dealt bilaterally with the Sandinist government.

[Moderator] Mario Rosenthal from [words indistinct].

[Rosenthal, in English] [Words indistinct] very much in recognition that the FMLN is an irregular force. An

irregular force is [words indistinct]. And this has a [word indistinct] of affiliation of the other Central American countries, which in this event I see as acting rationally. However, as we all know, the actions of the FMLN—there is evidence for what they have done—are not rational. Therefore, we believe that we are dealing with rational people and that we are dealing [words indistinct].

Let us look ahead a little further, because the FMLN was not represented in these talks. They had no voice. If they summarily reject the so-called [words indistinct] if they [word indistinct] that, or in other words, if they just say no, we do not accept this [words indistinct] always done, what will be the position of the other democratic countries in Central America regarding a continuing aggression by the FMLN?

[Cristiani, in English] I think that the other countries.... [changes thought] This is something, and I believe that you are right. There is a possibility that what you said could happen. But I think there is [word indistinct] rational people who are presidents of the countries come to the conclusion that the FMLN should cease all hostilities and incorporate themselves into the democratic process of the country, and that there are mechanisms by which the FMLN or any other rebel groups can be isolated. And these groups cannot exist without international support. And what we try to do is to strangle this international support and therefore weaken their position. It is, if you like, a political battle involved in something like this. So I believe it is getting closer to a possibility of solution if we promote things like what happened in this meeting. The secretary general has a person who was asked to become involved in the Salvadoran problem, because he has the possibilities to contact these other forces that are outside the Central American region, but are certainly very influential in the continuation of the FMLN's violent activities.

And again, because the Central American presidents did not want to state these countries by name, I will refrain myself from doing it at this time, but they are very obvious, who and what they [word indistinct].

But I think obviously it would be much easier if the FMLN would act rationally and accept that they have no longer any recognition for what they do, and that they have been condemned, and not only as an irregular force or group. They have now been condemned as being a terrorist group, the second aspect of the third point in the agreement. Therefore, maybe they should start thinking about something else. Maybe the Virgin of Guadalupe, whose anniversary we celebrate today, and who is the guardian of all the American countries, will shine some light on these irrational people. They might see this as a very clear sign that they can no longer justify or lie, or try to convince people that what they do is good.

[Reporter] [Question indistinct].

[Cristiani, in English] That is not what the Central American presidents are looking for. They are looking for a political solution to the problem and all their efforts are directed in that way.

[Moderator] Ana Aranda from THE MIAMI HERALD.

[Aranda, in English] [Words indistinct] if the government at any point confronted Nicaragua or [words indistinct] whether the government as such was truly involved in sending weapons to the FMLN?

[Cristiani, in English] Well, he was watching some of the videotapes that I took. We were watching them with the other Central American presidents. After a few minutes, he said he had some telephone calls to make and he got up and left. Obviously he could not justify what he was seeing and what the other presidents were witnessing there on the TV screen.

There was some confrontation with Ortega obviously, but I will, you know, will say that I did not mind where the warehouse was or where they come from. It is simply the fact that they were at some point in time in Nicaragua and Nicaragua was sending them over to El Salvador. Whether they came from the Soviet Union or whether they bought them from somewhere else, or wherever they came from, it really makes no difference. Within the Central American peace plan, the problem is that they are coming through Nicaragua with the knowledge of the Nicaraguan Government, and that is a violation of the agreement.

[Reporter] [Question indistinct].

[Cristiani, in English] What could he say? No, he came out trying to produce some sort of dust over the issue—like we call it here—through his minister of foreign relations. He was accusing Costa Rica of sending aid to the Nicaraguan Resistance. And maybe he thought to divert the attention from the Salvadoran case by trying to say that Costa Rica was sending weapons to the Nicaraguan Resistance. Then obviously he accused everybody of sending weapons to Nicaragua.

The point is, first of all, he did not convince any of the other four presidents. That is for sure. And there were no arguments he made in front of the press or at any point in time where they denied that they have been helping the FMLN. I mean, it is very clear and obvious that they have helped the FMLN not since November 11. All the weapons that were already here by November 11 also came through Nicaragua.

[Moderator] Ricardo Clemens from VISNEWS.

[Clemens] [Words indistinct] case of Jennifer Casolo there was a series of legislative issues that are not very clear and there is some kind of impasse regarding her trial. Will the executive branch help to accelerate the trial, or will it issue some kind of pardon or something like that?

[Cristiani, in English] No, the executive branch cannot interfere with the judicial process of any person in the country. It would have to be the Supreme Court or the judiciary that deals with the problem. They have to decide what the law is and what the application of the law should be. Our position is that the law should be applied impartially, and everything that the judge or anybody else does in the state should be done within the legal framework.

But we have no possibility of intervening in the judiciary process. There is a separation of powers between the executive branch and the judicial branch.

[Moderator] Thank you, Mr President. Thank you, gentlemen. Thank you all.

Further on Cristiani Comments

PA1312053289 San Salvador Domestic Service in Spanish 0138 GMT 13 Dec 89

["Excerpt" of news conference by President Alfredo Cristiani with unidentified moderator and reporters from the Presidential Palace in San Salvador on 12 December—recorded]

[Text] [Cristiani] Before the question and answer period, I would like to read and give some brief explanations on the San Isidro de Coronado Declaration signed today at 0400 in the morning in San Isidro de Coronado in Costa Rica. The text of the document reads: [At this point, Cristiani reads the San Isidro de Coronado Declaration published in the 12 December Latin America DAILY REPORT, Inter-American Affairs section page 4].

First of all, I also want to voice our appreciation to the Central American Governments for the clear and specific support expressed in the San Isidro de Coronado Declaration, that was also signed by the Nicaraguan Government, with whom we could hold a dialogue. In my opinion, this means we are taking specific steps to search for peace, calling by their own names the irregular forces which through violence and terrorism try to create chaos, panic, and terror in the countries of the region.

We believe the Central American peace plan has endured a harsh test. However, this agreement shows that the best way to solve the crisis—search for and find peace—is through dialogue. In this regard, we also want to reiterate once more our appeal to the FMLN [Farabundo Marti National Liberation Front] that, as established in Point No. 3 of the declaration, the Salvadoran Government is willing to immediately resume and attend the dialogue process from which the FMLN unilaterally withdrew last month.

With this, friends from the media and Salvadoran people, we end our explanation. However, we want to express our recognition and appreciation to all members of the delegation that accompanied us to San Isidro de Coronado in Costa Rica.

We can now open the question and answer period.

[Name indistinct from Teleprensa] [Words indistinct] in this meeting, and has there been any contact with the FMLN up until this time to resume the dialogue in Caracas?

[Cristiani] We feel satisfied with the results of the meeting. First of all, as I said, it has been proven that the peace plan, especially the willingness of the five Central American presidents, has made it possible to resist a severe crisis generated in Central America. This crisis was because of basically two reasons: the indescribable FMLN aggression, and the support and direct assistance the Nicaraguan Government provided to the aggression against El Salvador. We believe that in the same manner in which we have reached this agreement, it is also possible to attain peace in our country, something the Salvadoran people deserve to have in the shortest possible time.

We also feel pleased because of the support we have received from the Central American governments, including on this occasion the Nicaraguan Government. We honestly hope that in this case the signatures do not mean plain letters on a piece of paper, but rather the firm intention of the Nicaraguan Government to cease giving aid to the FMLN and to search for peace and democracy in their own country. We believe we have received support, and we feel pleased about this. We hope the FMLN will assess in its true dimension the San Isidro de Coronado Declaration, and will immediately cease hostilities. We also hope the FMLN will search for a dialogue with honesty—and not for strategic purposes as it has done in the past—so the Salvadoran people may enjoy the peace they deserve so much.

[Moderator] Marco Antonio Guevara, of the "Up to Date" newscast.

[Guevara] How do the five presidents conceive the demobilization of the FMLN? How does the Salvadoran Government conceive this happening?

[Cristiani] I believe there have been substantial changes in this presidential meeting as compared to previous meetings. To explain this better, Marco Antonio, we must say we will not fall into what has been used in the past, that is, the famous symmetry. On this occasion, we have been very clear and categorical when we said that we were not willing to continue giving sacrifices and other things from the Salvadoran Government in order to solve the Nicaraguan problem exclusively. We demanded uniformity, and any other country confronting the aggression of an irregular force—any other country in Central America—also has the right to be treated in a uniform manner, as far as measures and criteria that may be adopted in the presidential meetings.

That is why today for the first time you are seeing how the measures adopted for the Nicaraguan Resistance—that had been granted most of the attention up to now—are also being adopted for the FMLN.

We cannot allow a country to claim it is the only target of an aggression by an irregular armed force supported from abroad. Here in El Salvador we now have greater evidence following this 11 November terrorist aggression that the FMLN is a movement that can survive only with support from abroad, and that it obeys and exists because of international movements.

In the second place, it has demonstrated that it only has the capacity to generate terrorism, which has been mentioned in this document. We cannot continue just talking about demobilization and pacification in Nicaragua. It is time to apply this to all irregular groups, be it the URNG [Guatemalan National Revolutionary Unity] in Guatemala, or any other irregular armed group that may come up and may try to hinder the democratic process in the area.

We see this as something that has gone deep into the minds of all the Central American presidents, and from now on, we will have greater uniformity in treating all of those irregular groups that operate in the region.

[Moderator] Rene Hurtado of EL MUNDO.

[Hurtado] Mr President, following the Tela and Costa del Sol meetings, Nicaragua has changed its stand. In Costa Rica, President Ortega was asked if he had sold out the FMLN in exchange for the demobilization of the contras and other results of the summit in favor of Nicaragua. I would like to know your opinion about this, and also how you interpret the fact that President Ortega has accepted some issues about the FMLN that he did not allow in Tela or Costa del Sol? On the other hand, will the demobilization of the FMLN be the result of a dialogue or negotiations later on?

[Cristiani] In the first place, I believe that Daniel Ortega was unable to pull any more tricks out of his hat, and he was facing a fact he could no longer hide: He is the one who is spreading armed revolutions in Central America and trying to hamper democratic processes in the region. Once more he has been caught not honoring the commitments agreed on in Tela, but rather violating these commitments. On this occasion he has been left with no possible defense.

Therefore, in our opinion, he has no option other than to accept the reality of what is happening in Central America, or see himself totally isolated amid a peace plan that has international support. This situation would cause him many problems and headaches in political and diplomatic matters.

Cristiani Seeks To Resume Ties With Nicaragua

PA1312003989 Panama City ACAN in Spanish 2347 GMT 12 Dec 89

[Text] San Salvador, 12 Dec (ACAN - EFE)—El Salvador today proposed to Nicaragua that they begin negotiations to reestablish relations, suspended on 26 November after an arms shipment was found in El Salvador supposedly sent from Managua.

On his return from the Central American summit in Costa Rica, Salvadoran President Alfredo Cristiani said today he delivered a document to the Nicaraguan Government for beginning negotiations to reestablish diplomatic and trade relations.

The contents of the document were not disclosed by Cristiani, who told a news conference that the document was only presented to the Nicaraguan delegation because it was a "bilateral" issue.

Cristiani's remarks came after he was able to get Nicaraguan President Daniel Ortega to sign a declaration in which the presidents of the area expressed their support for the Salvadoran Government, "the result of a democratic, pluralist, and participatory process."

According to Cristiani, Ortega "could not pull any more tricks out of his hat; he was confronted with something he could not conceal, the fact that he is the instigator of the armed revolutions in Central America. If he had not signed, he would have been isolated."

In San Jose, Ortega said—regarding the final declaration's support for the Cristiani government—that "we met here to overcome our problems. If we had wanted to fight, we would not have held the summit."

Cristiani insisted that Nicaragua sent the Farabundo Marti National Liberation Front (FMLN) the weapons with which the guerrillas began on 11 November the most important offensive in the last decade.

Two weeks after the rebel offensive, Salvadoran soldiers found a crashed airplane which carried weapons "for the FMLN." They included Soviet-made SAM-7's, which, according to the Salvadoran Armed Forces, came from Nicaragua.

"A negotiation with Nicaragua to stop that country's interference in the Salvadoran conflict is possible," Cristiani said.

Cristiani Says Terrorist Actions Not 'Justified'

PA1212234889 Panama City ACAN in Spanish 2112 GMT 12 Dec 89

[Text] San Salvador, 12 Dec (ACAN - EFE)—On returning today from the Central American summit held in Costa Rica, Salvadoran President Alfredo Cristiani said that "the terrorist actions of the guerrillas are no longer justified from any point of view."

Pleased with the political support he obtained from his colleagues including Nicaragua's Daniel Ortega, Cristiani said in a news conference that he will immediately resume the dialogue with the guerrillas "as soon as the guerrillas cease hostilities and publicly give up committing violent actions against the civilian population."

The Salvadoran president said that "in the summit there was a substantial change in that the presidents called the guerrillas by their names."

Cristiani feels that the "terrorist actions" of the Farabundo Marti National Liberation Front (FMLN) are not justified, and that the guerrillas "are part of an international movement that is only capable of generating terrorism." If it were not for the foreign assistance, the guerrillas could not survive, he added.

Before Cristiani had finished his news conference, the FMLN "angrily" reacted when it learned of the conclusions of the presidents in Costa Rica who asked for their "demobilization."

The presidents also asked the FMLN to "publicly give up committing violent actions that directly or indirectly affect the civilian population," and to "rejoin the dialogue process" that was suspended 2 months ago.

The guerrillas accuse the Alfredo Cristiani government of being "the main violator of human rights" and stated that the Costa Rica agreement "actually encourages those who have unleashed this irrational violence and it allows for an even greater slaughter in El Salvador."

Police sources consulted by ACAN-EFE agreed that the United Nations should now assume a "greater responsibility" and seek a solution to the Salvadoran armed conflict that has left over 70,000 dead in 10 years of war in this Central American country.

Predicts Violence Will Continue

PA1312025489 San Salvador LA PRENSA GRAFICA in Spanish 12 Dec 89 p 34

[Text] Salvadoran President Alfredo Cristiani has told journalists that we cannot rule out the possibility that the FMLN [Farabundo Marti National Liberation Front] will continue with its subversive actions.

Cristiani asserted that the Salvadoran Armed Forces have detected concentrations of terrorists in three places near San Salvador: in the south and northwest near the San Salvador Volcano and in the northeast, north of Soyapango.

President Cristiani said that the Armed Forces are now on the offensive and are pursuing the rebels.

Cristiani added: "In the last 3 days, the FMLN has sustained over 100 casualties."

The Salvadoran president said that the rebels have managed to bring many weapons into the city and that they hide among the civilian population.

Cristiani said that a few nights ago, the rebels fired three or four mortars at civilian houses, one of which was the house of the Supreme Court of Justice president.

Cristiani said: "They only have capacity to sow chaos, death, suffering, and misery among the civilian population."

President Cristiani also said that there are some threats in the northeast end of San Miguel City where the Armed Forces are now on the offensive to counterattack the FMLN's intentions.

FMLN Rejects Regional Summit Declaration

PA1212185089 (Clandestine) Radio Venceremos in Spanish to El Salvador 1819 GMT 12 Dec 89

[Communique by the Farabundo Marti National Liberation Front General Command issued in El Salvador on 12 December]

[Text] The Farabundo Marti National Liberation Front [FMLN], regarding the results of the extraordinary meeting of Central American presidents, reports the following:

1. The results of the presidents' meeting has allowed us to measure the depth of the crisis in El Salvador and the impact of the FMLN's current military offensive, inasmuch as the summit's entire effort was aimed at saving the Salvadoran Government from an extreme political and military crisis and from international isolation in exchange for a new promise on the immediate demobilization of the Nicaraguan contras.

2. The FMLN indignantly rejects the presidents' declaration because, contrary to the dynamics of the entire international community, the clamor of democratic and social forces, and the clamor of churches in the country, this declaration unconditionally supports the leading violator of human rights in the region, a government that has murdered and persecuted the clergy and bombed the civilian population. This support encourages those who have unleashed that irrational violence and allows more murders in El Salvador.

3. The San Jose agreement does not contribute toward a negotiated solution in El Salvador. The FMLN cannot be disbanded as the result of agreements between governments because the FMLN constitutes a genuinely popular power throughout the Salvadoran territory, a force that the huge U.S.-financed war machine has not been able to stop in 10 years.

4. As has already been said in private, the FMLN agrees with UN Secretary General Javier Perez' mediation to initiate serious negotiations with the participation of all of the country's political and social forces.

5. We are hereby calling for international solidarity so other countries can mobilize immediately to defend the Salvadoran people, who are in danger of suffering from an escalation in efforts to exterminate it because the fascist policy has been reinforced by the support that the Central American presidents' declaration offers to Cristiani's government.

El Salvador, 12 December 1989.
FMLN General Command
[Signed] Joaquian Villalobos, Francesco Jovel, Eduardo Sancho, Jorge Shafik Handal, Salvador Sanchez

Opposition Requests Dialogue Resume Immediately

PA1212202989 Panama City ACAN in Spanish 1742 GMT 12 Dec 89

[Text] San Salvador, 12 Dec (ACAN-EFE)—The Salvadoran opposition has requested the "immediate" resumption of dialogue between the government and the guerrillas, after hearing the results of the Central American presidents' summit, which ended today in Costa Rica.

Meanwhile, the Salvadoran Army described as "successful" the results of the meeting at which the Salvadoran guerrillas were asked for an immediate cease-fire and the resumption of dialogue with the government, under UN auspices.

Leaders of right-wing and left-wing opposition political parties described the agreements reached by the presidents as "interesting," "well-intentioned," and "hopeful."

Hugo Carrillo of the National Conciliation Party [PCN], a moderate right-wing party, told ACAN-EFE that "it is important that the presidents sat down to seek a solution to a conflict in which others are providing the weapons and we are providing the dead."

He added that the San Jose meeting could create "the necessary pressure for the Salvadoran guerrillas and government to talk."

According to Carrillo, the demobilization of the Farabundo Marti National Liberation Front (FMLN) will come "sooner or later, but with negotiation, when both sides clearly understand that the war is destroying the country."

The Central American presidents today "vigorously requested that the FMLN publicly renounce all violent activity that directly or indirectly affects the civilian population," and they asked the UN to intercede so that the Salvadoran Government and guerrillas will resume the dialogue. The presidents also asked the International Support and Verification Commission (CIAV) to immediately initiate the FMLN's demobilization in accordance with the previous agreements, which point out that there must be previous negotiation.

A leader from the Christian Democratic Party—the Salvadoran opposition's leading force—who requested anonymity, said that his party "supports any process designed to achieve peace in El Salvador."

He underscored that "all Salvadorans are hoping that there will now be serious dialogue, that President Alfredo Cristiani as well as the FMLN will sit down to dialogue and end the bloodshed."

Juan Jose Martell, from the left-wing Popular Social Christian Movement, pointed out that the summit in Costa Rica "had positive elements, because it called for the government to resume the dialogue process."

Martell pointed out that the UN's "participation" is also important "because the intervention of a third party is necessary" in the search for solutions to the Salvadoran armed conflict.

Major Mauricio Chavez Caceres, chief of the Armed Forces Press Committee, briefly told ACAN-EFE that the San Jose meeting "was a success," but he added that "the summit is not a magic wand."

The Salvadoran guerrillas have not yet disclosed their position in regard to the summit results.

Sabotage Creates 60 Percent Power Loss in City

PA1212223689 Paris AFP in Spanish 1646 GMT 12 Dec 89

[Text] San Salvador, 12 Dec (AFP)—Most of the Salvadoran territory has been subject to power outages as a consequence of the persistent guerrilla sabotages, it was officially reported.

The Electric Light Company of El Salvador (CAESS) explained that 60 percent of the capital is without electricity, and warned that it will be impossible to overcome the problem if the rebels continue blowing up power poles and towers.

CAESS implemented a rationing plan which consists of suspending the service in some zones in San Salvador for 6 hours. The lack of electricity directly affects industry and businesses, and there are big traffic jams because traffic lights are not working.

The Lempa River Hydroelectric Executive Commission, which controls the system at national level, disclosed it has not been able to repair the 115,000-volt lines destroyed by the rebels since 11 November.

The Farabundo Marti National Liberation Front, which since November has maintained its biggest military offensive ever, has said the sabotage will continue as long as there is no negotiated solution to the conflict.

At the same time, the rebels continue with a transportation stoppage, and in the past 8 days have partially or totally destroyed vehicles whose drivers disregarded the stoppage.

Venceremos Criticizes Larios' Summit Statements

PA1212173389 (Clandestine) Radio Venceremos in Spanish to El Salvador 1311 GMT 12 Dec 89

[Station commentary]

[Text] One of the picturesque and noticeable aspects of the San Jose summit has been the statement by General Humberto Larios. With enemies like him, there is not

much we need to do to get the world to realize the type of military men who are in power in El Salvador. Gen Larios contradicts himself. Just two consecutive questions are enough for him to deny what he himself has just said. For example, he was asked if the Armed Forces were willing to accept international verification of a cease-fire and he replied that hostilities against civilians must end and that the government would accept the ONUCA [UN Observer Group in Central America] presence within the framework of the Tela agreements. However, when the reporter, knowing military men, made the question more specific by asking if this meant that ONUCA could verify the areas where the FMLN [Farabundo Marti National Liberation Front] are, then Larios forgot his little memorized speech and began spewing out his own disorderly thoughts. Larios told the press: Look, the FMLN is really nowhere. It is the Armed Forces who really exercise control in the country. Terrorist forces, he said, have no territory or place. In other words, for Larios, verification means that the ONUCA can watch the Belloso Battalion in the Escalon neighborhood, the Atlacatl Battalion in Zacamil, and the Bracamonte in Ciudad Delgado, but when a guerrilla column appears, ONUCA should cover its eyes.

In other words, Larios wants to convince the world that for 1 month they have had combat, curfews, a state of emergency, hundreds of casualties, a ruined economy, no electricity, and embassies pulling out their personnel—a war that has placed El Salvador on the forefront of all newscasts—that all this is a war against ghosts that do not exist, that are nowhere, that the FMLN is the result of some people's imagination—perhaps the news media.

Larios used the same reasoning when they asked him about the bombing of the poor neighborhoods of San Salvador and San Miguel. When asked about the bombing of the eastern area, in Zacatecoluca and so on, it turns out that the Air Force bombings are a lie and what the world has seen on their television screens is also a lie. According to Larios, these were all lies, this never occurred, the thousands of homes destroyed in San Salvador were all optical illusions.

One good thing Larios said was that the bombings were carried out with Cristiani's consent, as if to say do not put all the blame on the Armed Forces. Cristiani knew of the plan and it was he who approved it. This is how Larios said it. It is worthwile not to miss a single statement by the brilliant minister of defense. Larios knows that everyone is expressing the idea of the need to negotiate an end to the war, but Larios says that this would favor the FMLN and that the Armed Forces have nothing to negotiate. What decisionmaking power does Cristiani have? If Cristiani agrees on something the Armed Forces does not agree with, then it seems simply as if Don Cristiani will have to forget the agreements, which is what is happening now. Cristiani has no decisionmaking power. He represents La Tandona [reference to the 1966 graduating class of the Captain General Gerardo Barrios Military Academy] and because, right now, what is being discussed is that the criminals must leave the Armed Forces, Larios' definitive reply was: No, we are not going to discuss any of that.

What are we going to negotiate, then? You should listen closely to Larios to learn how the Army is thinking and who should be pressured into attaining peace in our country.

Interview With FMLN Commander Cabral

PA1112021989 (Clandestine) Radio Venceremos in Spanish to El Salvador 1815 GMT 10 Dec 89

[Telephone interview with Leo Cabral, "a Farabundo Marti National Liberation Front commander leading the San Salvador siege;" date and place not given—live or recorded]

[Text] [Reporter] What do you think about the Central American summit in Costa Rica and Cristiani's position at the summit?

[Cabral] In the first place, we think the situation has changed considerably in relation to the other Central American presidential meetings that have been held in previous months. It seems that Cristiani wants to start with a clean slate. The proposal he is taking to the summit clearly shows how he wants to cover up all the outrages and all the repression, as well as the genocide promoted by La Tandona [reference to the 1966 graduating class of the Captain General Gerardo Barrios Military Academy] and the fascist command of the ARENA [Nationalist Republican Alliance] army in fighting against the people.

To that effect, it seems to us that the tactic would then be of starting with a clean slate. However, this is being naive, because the situation has changed completely. In the first place, there has been worldwide rejection of the fascist regime because of its permanent and outrageous violations of human rights. That is something that Mr Cristiani wants to forget. In the second place, the political and military offensive of the FMLN [Farabundo Marti National Liberation Front] is another element that Mr Cristiani wants to forget. However, he cannot do this. The offensive has radically changed the situation in this country as well as throughout Central America, because U.S. foreign policy is at stake.

Now, let us take this step by step. In the first place, we would have to say the following: The government is not ruling in our country. That is, Cristiani obeys the interests of the military high command. For example, it is significant that in the previous meetings Cristiani had been very careful not to announce the proposals he would present at the meetings. Yesterday, we heard over the national network how Cristiani obeys—more than anything else—the interests of the high command. In his speech and his proposals, he seeks to guarantee to La Tandona the fact that there will not be any negotiations solving the Salvadoran conflict. That is why his proposal

for a truce and for a dialogue without any commitments does not appeal to us, as it does not seek the definitive solution to the conflict.

As to the other part of the question of how the government and the high command have coped with the overall situation, we might include it in the same point. However, the important thing to emphasize in this case is what we said at the beginning, that is, he wants to start with a clean slate.

[Reporter] Commander Cabral, you have talked about the contents of Cristiani's proposal to San Jose, Costa Rica. How about the situation that Cristiani is presenting at the summit in Costa Rica [words indistinct]?

[Cabral] [Words indistinct] the U.S. proposal concerning El Salvador and the rest of the Central American region is being questioned. The United States, for example, does not want to yield in the demobilization of the contras, something that all Central American presidents—including Cristiani—had approved at previous meetings. I think this is basic. On the other hand, the situations prevailing in the various countries must be analyzed objectively. As is known, there are three Central American countries—Guatemala, Honduras, and Costa Rica—that are undergoing transitions because there is political wrangling over presidential succession. [Words indistinct]. It is also significant that President Azcona is now talking about the demobilization of the contras as an urgent issue, yet throughout his term he never did anything about it.

Mr Oscar Arias is also confronted with an internal political struggle over the presidential succession, as is President Cerezo. This means that the overall situation is not similar to other presidential meetings. We also mentioned the fact that Cristiani is not really in charge, he is not ruling, and he is not presenting any proposal that seeks a solution to the crisis. He is making an empty proposal. It is only a tactic to delay things somewhat so he can gain political time and take a breath.

[Reporter] Regarding the regime persecution of the political opposition, the Church, the Permanent Commission for National Dialogue, leftist political parties, the [words indistinct] against the Christian Democratic Party—calling it high treason to the fatherland—and so forth [words indistinct].

[Cabral] Concerning this matter the basic point is the following. The oligarchy and the fascist sector do not permit a free exchange of ideas or debates of any kind. This persecution stems from this central idea. The news network reveals the closing of all means available to all sectors of the country to express their views. They have closed the door on political discussion whereby the country's sectors can express their ideas on how they deal with the national crisis.

Now, closing the debate in the face of great local and international pressure goes hand in hand with a fierce repression that covers all sectors. This gives us a very clear idea of the scope of the crisis. We no longer have a war against the masses, but a fascist war against the entire nation. All sectors are affected by the war. Of course, the national debate centers on the way to end the state of war. However, the government reacts with emergency measures, that classify it as a fascist regime. There is also no doubt as to the brutality of fascism in wanting to crush any dissident voice that does not represent the interests of a minority group that has taken the country to the current situation, that could be described as a national disaster.

It is symptomatic that this wave of repression seeks to end through terror debate and the exchange of ideas. It also seeks to repress the fact that all the country's sectors want to find a political solution to the war, whereas this small group is bent on perpetuating the war against the entire nation and wants desperately to survive by annihilating all its political opposition.

[Reporter] Commander Leo Cabral, within this framework of ideas, what are the tasks Salvadorans from all social sectors must undertake to achieve peace, democracy, [words indistinct] of La Tandona?

[Cabral] To answer that question we must start with the following premise. The whole effort by the FMLN, our people, and all the political sectors of the nation have a very specific political objective. In general, that would be to find a solution to the war. However, we must still work on this. We feel that the central political objective of all this struggle and general offensive would be to give the nation a new government, but all the sectors of the country must concur on the basis for the new government.

The FMLN is proposing a national consensus around a specific plan that would end this whole crisis. We feel that the steps that must be implemented are the following: First, we must establish a new social pact based on a national consensus, meaning based on the understanding and concurrence of the whole nation [words indistinct] as solution to all the causes that gave rise to the war. This first aspect would be very important because it would create national unity against fascism.

Second, the new social pact requires a new legal order. The fascists have not only violated human rights but their own laws. It has made a number of reforms and enacted a number of laws against the people and the nation, and their sole goal is to maintain the status quo, not solving the crisis. That is why we feel that the new social pact must be regulated by a different set of laws. Amendments to the Constitution have been debated for a long time, and also for a long time, the fascists have clung to a hypocritical defense of a constitution approved and devised for continuing the war. What is more, they have violated the Constitution. That is why we deem it of vital importance that this social pact, which of course excludes fascist bloodthirsty sectors, must constitute a new political fact. The fact is that

[words indistinct] different guidelines. The new social pact needs a new constitution.

Third, we cannot reach a solution if the same persons who have ruled us all this time continue in power. Therefore, the specific political goal would be a new government that performs all these tasks. Otherwise, the political goal would be left up in the air. This new government of broad political consensus, as it is often called, would implement a specific program.

[Reporter] How about the overall perspective of the situation resulting from our offensive? [Words indistinct] the various social sectors, the workers, the peasants, the students, the teachers, the religious groups, [words indistinct] the tasks ahead?

[Cabral] We think that all sectors have general and specific tasks ahead. We feel that the people fully comprehend that the FMLN's general offensive is in line with the political objective we want to achieve. Thus, all political and military actions are contemplated within the framework of the general political objective. Each sector has its own particular interests. On the one hand, there are the people who are returning to their land, and on the other, there are the poverty-stricken groups, workers, peasants, and so forth. All of them have their own interests. We feel that in this offensive, although it is true that everyone in the nation must fight for the general goals we have mentioned earlier, it is necessary that all sectors also fight for their most immediate needs.

To put it in other words, the general goal must be closely linked to the struggle for democracy, which is a specific goal. The struggle for democracy is not an abstract issue. It has to do with the solution to the problems of all sectors of the nation. In this sense, we feel this is a very important moment that reflects the accumulation of struggle of all the people.

For example, the struggle for the rights of the displaced people who are being resettled or the comrades who are refugees now in Honduras and want to return to their homeland is part of the struggle for democracy. This is part of the general political proposal. For example, the struggle of the cooperative workers for the improvement of agrarian reform is a specific goal of this group. [Words indistinct] of the general political proposal of the struggle for democracy. For example, the struggle of the trade union workers and public workers for the fulfillment of their most urgent demands is closely linked to the general political struggle. The struggle has various stages that are closely knit and must unite in the people's struggle.

We would present it in the following manner: There is a struggle for survival; that is, fascism has led the country to an economic crisis in which all sectors have very specific demands in the struggle for survival. This FMLN offensive has led the government to a critical point in which all economic resources have been invested in the war against the people. Therefore, the struggle for the most urgent demands, such as salaries, special Christmas bonuses, and social benefits, also contributes to the disruption of the proposals by the fascists.

The struggle for freedom and democracy is also linked to the defense of the interests of the nation. We could not be struggling for an overall goal without fighting for the right to defend our lives, the basic right. Therefore, all of these sectors who have initiated struggle should redouble it in the defense of life, individual freedom, and the collective rights of social groups, as we are all part of the entire nation.

[Reporter] Thank you, Comrade Commander Leo Cabral.

Archbishop Speaks on Summit Peace Process

PA1112000689 Panama City ACAN in Spanish 1805 GMT 10 Dec 89

[Text] San Salvador, 10 Dec (ACAN - EFE)—The Catholic Church of El Salvador hopes that the Central American presidential summit which began today in Costa Rica "will make an effective contribution to promoting the peace process on the isthmus," Monsignor Arturo Rivera y Damas, archbishop of San Salvador, stated today.

"May it be God's will that the presidential summit promote the peace agreements to end the war in El Salvador and the conflicts in other neighboring countries," the prelate said during the homily at the "Sacred Heart" Church in the downtown part of this capital.

He added that every time the presidents act within the framework of the "Esquipulas II," "new life is given to the peace agreements."

Rivera y Damas said that the civilian society in El Salvador "lives in fear and insecurity," and that there are only "feeble attempts by the political forces to attenuate the accentuated polarization."

The bishop said that the polarization had been heightened in the wake of the offensive launched by the Farabundo Marti National Liberation Front (FMLN), and that the "ensuing response of the Army revolves around the dual military power which in fact exists."

The church feels that these military powers prevent "an appreciable expression of the social forces that would permit the feelings to be depolarized," and that "any effort would be hardly effective unless an end to the hostilities is reached and the parties return to the negotiating table."

The prelate also deplored the deaths of 259 civilians and the injuries to a large number of others, recently reported by the Legal Assistance Office, that is a branch of the Archbishopric dedicated to the defense of human rights in this country.

"The material losses are incalculable, even though one human life is worth more than all that," the prelate said.

Army and guerrilla sources report that more than 2,000 persons have been killed during the fierce fighting that began on 11 November.

Vice President Asks UN Investigate Complicity

PA1212024789 San Salvador EL DIARIO DE HOY in Spanish 6 Dec 89 p 9

[Text] Vice President Francisco Merino has asked the UN Observer Group in Central America (ONUCA) to investigate the complicity of the Sandinist regime with the FMLN [Farabundo Marti National Liberation Front] in the aggression against the Salvadoran people.

Merino, who also serves as interior minister, met on 5 December with reporters to answer several questions about the current situation of the country.

First he noted that the repatriation of the Salvadorans from the Colomoncagua settlement, in Intibuca, Honduras has been temporarily suspended because the office of the UN High Commissioner for Refugees (UNHCR) has been moved from this capital.

"Now then, the (refugees) who are arriving by their own means are doing this illegally and consequently have placed themselves outside the law," Merino warned.

He added that the UNHCR has the papers of over 4,000 Salvadorans who are refugees and if any of them are now in the ranks of the FMLN-FDR [Revolutionary Democratic Front], it will not be difficult to find them.

Concerning the areas where the refugees could have settled, Merino said that the refugees have chosen northern Morazan and are responsible for the problems they now face because they did not want to comply with the plan, that included assistance, established by the government and the UNHCR.

Concerning the arrival of the ONUCA delegation, Merino said that it will be a preparatory group, and later, it will determine when the majority will arrive.

"They will check the common borders, but also will have the obligation of investigating, on site, the way in which the Sandinists help the FMLN-FDR criminals who are destroying the economy of the Salvadorans."

Merino called the Sandinists "a band of criminals who have their people oppressed, and are trying to impose their type of government on a democracy such as ours."

About calling in the reserves to cooperate in protecting the coffee crops, Merino said that the Defense Ministry is in charge of organizing them and will determine how to pay for the expenses, that could, in some cases, be met by the ministry or by the cooperatives or owners.

Assurances Given to Spain on Murder Case

PA1212164489 Madrid EFE in Spanish 1305 GMT 12 Dec 89

[Text] Madrid, 12 Dec (EFE)—Salvadoran Government representatives have assured Spanish authorities that the murder of six Jesuit priests will be thoroughly investigated and that the investigations will be conducted with absolute "freedom and independence."

The delegation, headed by Salvadoran Presidency Minister Juan Martinez Varela, met yesterday with Deputy Foreign Minister Inocencio Arias and with Father Luis Tomas Sanchez del Rio, the Jesuits' provincial representative for Spain.

Martinez Varela told EFE today that as part of the investigations conducted by his government "gradually, people linked to the armed institution" who were on duty in the vicinity of the Central American University (UCA) "are being identified and interrogated."

Regarding the international investigation in which experts from the United States, the UK, Canada, and Spain are participating, Martinez Varela stressed that they will be given all the necessary guarantees to find the perpetrators of the 16 November murders. "Whoever is responsible, whether a member of the Army or extremist groups in uniform or not, will be judged according to Salvadoran law," Martinez Varela said.

The Salvadoran presidency minister expressed "serious doubts" regarding alleged psychological torture by the FBI of an eyewitness to the murders who was transferred from El Salvador to Miami for security reasons.

According to Archbishop of San Salvador Monsignor Rivera y Damas, the witness retracted her previous statement on the participation of members of the Salvadoran Army under pressure from U.S. agents.

Varela said: "Those allegations create serious doubt, because the U.S. Government is also very interested in clarifying the incident. Furthermore, if U.S. authorities had engaged in torturing a witness, it would create a huge scandal."

Martinez Varela stressed that Alfredo Cristiani's government is willing to resume talks with the Farabundo Marti National Liberation Front and expressed his confidence that a meeting between the two sides could take place within the next 30 days. Regarding possible efforts by the Spanish Government to contribute to that objective, Martinez Varela said that "the Salvadoran Government and people would be thankful for whatever the Spanish authorities can do."

The Salvadoran delegation again expressed its condolences to Jesuit Provincial Representative Sanchez del Rio at a meeting in which he was also briefed on the investigations.

This afternoon the members of the Salvadoran delegation will meet with representatives of Spanish political

parties at the Congress of Deputies and Senate and tomorrow they will travel to Rome.

While in Rome, they will express their condolences to Hans Kolvenbach, the Jesuits' director, and to Pope John Paul II, if they are granted an audience.

Archbishop Rejects Attorney General's Accusation

PA1012211389 Hamburg DPA in Spanish 1856 GMT 10 Dec 89

[Text] San Salvador, 10 Dec (DPA)—Monsignor Arturo Rivera y Damas, archbishop of San Salvador, stated today that "the United States says that it wants to help improve the administration of justice in El Salvador. However, in the case of the investigation of the murder of the six Jesuit priests, it is obstructing justice."

Archbishop Rivera y Damas said, "I do not know what the purpose of assuming this attitude is. However, when eyewitness Lucia Barrera de Cerna first testified, she clearly described the men as being dressed as soldiers and not as guerrillas. I believe that it is easy to distinguish between one way of dressing and another."

It seems that the plan is to divert the investigation, and that is why U.S. officials took the eyewitness to the United States, "where she was given an authentic brainwashing and threatened with deportation if she did not tell the truth."

According to the Jesuits' lawyer, Scott Grathead, Mrs. Cerna was subjected to an "aggressive and violent" questioning session. After this psychological torment, she thought it over and retracted her statement. Fortunately, once rid of the pressure from her "protectors," she has retaken the path of truth.

In his homily today, the archbishop criticized the United States for treating the witness differently once she arrived in the United States, instead of protecting her like the U.S. Embassy officials in San Salvador had promised, knowing that the humble working woman "freely and sincerely had declared what she had seen and heard the night of the horrible massacre." The Jesuit priests were murdered on the morning of 16 November.

Referring to the statement made by the nation's attorney general, who said that the church has refused to cooperate with the investigation of the murder of the Jesuit priests—a lawyer-priest had been appointed to cooperate with the investigation—the archbishop said that this statement is not only false but also malicious.

In his homily today the prelate said that, in the first place, it is the laymen's ground, and that is where they should prove their expertise and moral integrity. They should imbue the exercise of their profession with evangelical values.

The archbishop said that, in the second place, "it could be a trap." He added that the church is not going to endorse with a clergyman's presence something that is already beginning to be "murky."

The church and other sectors linked to the investigation in an independent way have been distrustful ever since the attorney general's office showed its attitude toward Lucia Barrera de Cerna's testimony. She was testifying at the Spanish Embassy before lawyers and ambassadors, and as the curfew hour approached, they took the witness to another embassy. The next day two district attorneys came to harass the witness with questions.

The archbishop once again rejected the attorney general's accusation. He reiterated the belief that the Armed Forces were guilty of the murders. He said, "I am not making any accusations. However, the church is very annoyed, and although I am not saying that we are the object of official persecution, in this regime there is persecution in other sectors."

Rebel Radio Alleges Government 'Cover-Up'

PA0912005689 (Clandestine) Radio Venceremos in Spanish to El Salvador 1800 GMT 8 Dec 89

[Station Commentary: "Dr Colorado, a Prosecutor Who Is Showing His True Colors"]

[Text] The Cristiani administration is trying to politicize the the case of the murdered Jesuits. With this in mind, General Prosecutor Colorado has tried to appoint a priest as special prosecutor for this case. Obviously the ecclesiastical hierarchy cannot involve the Church in a political maneuver aimed at turning it into an accomplice of the assassins, as the Cristiani administration is trying to do.

The general prosecutor wants a priest to join him, not to seek justice but to cover up the assassinations under the cloak of the Church, which is actually the institution that is demanding justice because it is convinced that Armed Forces members committed the crime at the UCA [Central American University].

As part of this same plan of raising a smokescreen and recruiting others to assist in the plans for a cover-up, the High Command has published a so-called opinion poll claiming that a majority of those polled said that the FMLN [Farabundo Marti National Liberation Front] and not the Armed Forces is guilty of killing the Jesuits.

These two manuevers, Colorado's accusations against the Church and these supposed polls, only confirm who the assassins are, because they only reflect the nervous assassins' efforts to dodge the accusing finger of the church, people, and international community that is pointing at the government and Armed Forces. Their clumsy maneuvers confirm to our people and the world who the real assassins are of the Jesuit priests.

Col Ponce Welcomes Reservists to Active Duty

PA0812154789 San Salvador Domestic Service in Spanish 1217 GMT 8 Dec 89

[Text] The Salvadorans' patriotism has been maintained. Our glorious National Army's reservists were summoned, and immediately, on the first day, thousands gathered at the Ramon Belloso Rapid Deployment Infantry Battalion headquarters. This proves that our reservists are ready to serve the fatherland for peace and democracy in our country. Joint Chief of Staff Colonel Rene Emilio Ponce welcomed the reservists.

[Begin Ponce recording] For those of you who do not know me, I am Colonel Ponce, the joint chief of staff. I have come to the Ramon Belloso battalion this morning to talk to you, the 1st reserve unit to be mobilized.

The Armed Forces is pleased to see that although you have other jobs as civilians, you have come here to fulfill the pledge you once made to defend the fatherland, serve the government, maintain the country's integrity, and fight to death against the terrorists who are attacking El Salvador. I congratulate you and tell you that you must continue fighting with all the vigor and courage possible against the FMLN terrorists. [words indistinct] once and for all for our dear El Salvador. The decision you have made is very positive and brave. We must keep on. [Ponce shouts: Viva! Crowd responds: Viva!].

[Words indistinct]. Because you all come from the people and you have high morals, the desire to fight, and the resolve to [words indistinct], and for my part, this battalion [words indistinct] and we will fight to death. [Crowd shouts: Viva!]

Opposition Says Government Creating Police Rule

PA1012151989 Panama City ACAN in Spanish 1305 GMT 9 Dec 89

[Text] San Salvador, 9 Dec (ACAN-EFE)—Ruben Zamora, secretary general of the leftist Social Christian People's Movement (MPSC), today accused the Salvadoran Government of attempting to "create a police state" and reaffirmed the need for a peaceful solution to the armed conflict.

Zamora stated that the rightist government of Alfredo Cristiani wants to create a "police state to curtail the activities of political organizations."

"The government is trying to create a prison for all Salvadorans," said the politician, referring to the state of emergency that has been in effect since 12 November, and which was extended for 30 days by the Legislative Assembly on 8 December.

Juan Jose Martel, who is also an MPSC leader, stated that with the state of emergency "the government diminishes the power presently held by civilians and increases that of the military."

"As civilian power weakens, the Army increases its hegemony and military control expands," added Martel.

The Legislative Assembly justified its decision to extend the state of emergency as necessary to confront guerrilla action.

Both politicians said during a news conference that they advocate "a peaceful solution to the armed confict," which over the past decade has left more than 70,000 dead.

Zamora said that the events in the country since the Farabundo Marti National Liberation Movement's offensive on 11 November "clearly show that El Salvador is becoming Lebanonized." However, he believes "it is possible to attain peace" in the country with the participation of Salvadoran social forces, together with regional and international forces. In this respect, he said that the Central American presidents' meeting, in San Jose, Costa Rica, on 10-12 December, is a "very important" step in this direction.

Zamora and Martel said that Cristiani will attend the Costa Rican meeting "marked by two circumstances: the regime's weakness after the recent incidents in El Salvador and international pressure on the Salvadoran Government."

The MPSC hopes that "concrete" agreements for a cease-fire in El Salvador are reached at the summit so that peace may be attained through the "opening of political opportunities" in the country.

Workers Union Open Letter to Area Presidents

PA1012230789 (Clandestine) Radio Venceremos in Spanish to El Salvador 0134 GMT 10 Dec 89

[Open letter to the Central American presidents by the National Union of Salvadoran Workers from the 9 December issue of San Salvador DIARIO LATINO]

[Text] The Salvadoran workers and people, and especially the National Union of Salvadoran Workers, UNTS, send you respectful greetings. There is no need for us to point out that the war and the national crisis we have lived with in El Salvador over the past 10 years have increased dramatically over the last 4 weeks. There is also no need to repeat that this topic will be discussed at the summit in San Jose on 10-11 December.

In an effort to contribute that you may reach agreements leading to lasting and firm peace in our country and area, we wish to state:

1. Taking into consideration that all the hopes for attaining peace in our area, listed under Esquipulas II and all subsequent agreements, are seriously restricted by what is occurring in our country:

A. Democratic freedoms have been seriously reduced by approving laws while a state of emergency and curfew

are in force. An antiterrorist law was approved, annulling the right to individual guarantees and the fundamental rights of assembly, movement, and free speech.

B. Violations to human rights have worsened. The previous measures have brought about an alarming increase in these violations, with the victims having no opportunity whatsoever of defending themselves.

C. Social injustices persist and have become worse. The crisis situation afflicting our country, especially the masses, with increased confrontation of war and related measures, has caused people to die of hunger, without possibility of recovery through charity. We are talking of a hungry people who need—aside from food—soil to till, fair wages, price controls, health, education, housing, and employment.

D. Possibilities of a broad participation by the different popular, social, and economic sectors of our country in attaining peace are being closed in direct proportion to the decision by some sectors to increase, maintain, and entrench the war.

E. Not only are there governments outside our area systematically hindering peace negotiations, but they encourage increased warfare.

The international community, especially its representatives such as the United Nations, OAS, Contadora Group, Group of Eight, EEC, and European Parliament, along with the democratic governments of the world, have never played a more decisive role, using their influence and prestige to pressure Cristiani's government and the FMLN [Farabundo Marti National Liberation Front] to find a negotiated political solution immediately and stop making the civilian population suffer.

2. Therefore, we respectfully request that you:

A. Urge the Salvadoran Government and the FMLN to agree on an immediate cease-fire and restart talks until a firm and lasting peace is negotiated.

B. Urge the Salvadoran Government:

1) To immediately reestablish democratic freedoms.

2) To take steps to end human rights violations.

3) To take immediate steps to uphold the social justice our people have always demanded.

C. Urge all Salvadoran social, political, economic, and military forces to immediately seek a solution among Salvadorans for Salvadorans, overcoming once and for all the causes that have led to the present conflict and national crisis.

D. Urge the international community and all representative groups such as the United Nations, OAS, EEC, Contadora Group, and Group of Eight, as well as religious, humanitarian, and cultural organizations, to cooperate actively in the peace efforts and condemn all assistance given to strengthen the war.

Hoping our requests will merit your attention, and with our determination to contribute actively in the solution to the war situation and the crisis prevailing in our country, we remain, with our best wishes for peace, justice, and national sovereignty, very truly yours,

[Signed] The UNTS National Executive Committee

Bishop Chavez Criticizes Both Sides in Conflict

PA0912202189 San Salvador Canal Seis Television in Spanish 0030 GMT 4 Dec 89

[Text] The Catholic Church today questioned the attitudes displayed by the government and Farabundo Marti National Liberation Front [FMLN] regarding the current situation.

Monsignor Gregorio Rosa Chavez, auxiliary bishop of San Salvador, criticized the campaigns carried out by both the government and the insurgents, describing them as boasting of triumph because both sides are claiming victory, while the situation appears to be quite different. Rosa Chavez said that both sides speak in a boasting manner, while families are searching for missing relatives. In the midst of this desolate panorama, the bishop said, came the deaths of Francisco Jose Guerrero, the former Supreme Court chief justice, and reporter Eloy Guevara Paiz, which have been repudiated nationwide.

[Begin Chavez recording] The obvious questions very often go unanswered: Who killed them? Why did they do it? In this case these questions are especially important because the victim was none other than a former Supreme Court chief justice. Perhaps justice will be done to him. Reporter Eloy Guevara Paiz found death in Soyapango while trying to capture the crude realities of war with his camera. [end recording]

The prelate referred to the document signed by the bishops of the Episcopal Secretariat of Central America and Panama [Secretariado Episcopal de Centro America y Panama—SEDACP], who condemned the use of violence and the levels it has reached in El Salvador.

[Begin Chavez recording] The persistence of serious social problems, such as hunger, unemployment, the high cost of living, and poverty, the criminal stubbornness—I am quoting the bishops' document—of seeking an armed military solution for the violence generated by injustices so deeply rooted in our social reality, exacerbate the abusive meddling of foreign powers.

Still quoting the SEDAC document: All of the peace efforts through dialogue have failed, precisely because of a lack of sincerity and absence of political resolve by the sides in conflict. [end recording]

Rosa Chavez also said that cases in which clergymen have been implicated for collaborating with the rebels will be discussed with the Armed Forces high command to establish responsibilities. The information will subsequently be passed to the press.

[Begin Chavez recording] We will present specific cases first to the general staff, and subsequently to the press. We must use this method because if the implication of clergymen is the result of nervousness and this week's tensions, it will end. If it is systematic, it will also be explained. [end recording]

Rosa Chavez gave assurances that the church will intervene in favor of several reporters who were kidnapped and are being held by the rebels. He summoned the reporters' relatives to a meeting with him to discuss the situation. Regarding the murder of the six Jesuit priests and their two maids, the case is documented, according to Rosa Chavez who has information regarding some of the people responsible for the incident, although he did not provide details. He said, however, that there are details in the document prepared by the Legal Advisory Office.

Opinion Poll Shows 'Repudiation' of FMLN

PA0912034289 San Salvador EL DIARIO DE HOY in Spanish 8 Dec 89 p 2

[Text] A public opinion poll conducted by the A.M.S. Company [not further identified] among the Salvadoran public on 5 and 6 December reveals the Salvadoran people's outright repudiation of the FMLN [Farabundo Marti National Liberation Front] terrorist offensive.

According to sources close to the labor union sector, the A.M.S. Company, that has been working in El Salvador for many years, specializes in public opinion polls that enjoy great respect and credibility because of their efficiency, accuracy, and reliability.

The poll's results show clear and strong support for the role the Salvadoran Government and Armed Forces have played. At the same time, the poll reveals a clear rejection of the damage inflicted by terrorism and the possible participation of the FMLN in the murders of the FENASTRAS [Salvadoran Workers National Union Federation] leaders and the Jesuit priests.

Despite all the suffering resulting from the sneaky, subversive attack and in accordance with their yearning for peace, the majority of the Salvadoran people believes the dialogue process must continue.

In response to a question as to how they would rate the Salvadoran Armed Forces' role, 37 percent of the people characterized it as excellent; 44 percent as good; 9.3 percent as average; 2.7 percent as bad; 0.3 percent as very bad; and 6.7 percent did not respond.

As to how would they rate the job done by the government, 21.3 percent characterized it as excellent; 54.3 percent as good; 15 percent as average; 2.7 percent as bad; 0.3 percent as very bad; and 6.4 percent did not respond.

As to how would they describe President Cristiani's performance, 29 percent said excellent; 51.3 good; 11 percent average; 1.3 bad; 0 percent very bad; and 7.4 percent did not respond.

When asked who they thought was responsible for the breaking of the dialogue, 63 percent said the FMLN; 5.7 percent said the Armed Forces; 4.3 percent said the government; 22.7 percent said they do not know; and 3.9 percent did not respond.

When asked who they believed was responsible for the FENASTRAS massacre, 26.3 percent said the FMLN; 6.3 percent said the Armed Forces; 3.3 percent said the government; 55.7 percent said they did not know; and 8.4 percent did not respond.

Regarding the massacre of the Jesuit priests, 26 percent attributed it to the FMLN; 7 percent to the Armed Forces; 5.3 percent to the government; 53.3 percent said they did not know; and 8.4 percent did not respond.

When asked whether the dialogue should continue, 80 percent responded yes; 14 percent said no; 5.7 percent said they did not know; and 0.3 percent did not respond.

Regarding the curfew, 29 percent considered it very good; 55.3 percent said it is good; 10 percent said it is neither good nor bad; 5 percent said it is bad; and 0.1 percent did not respond.

Nicaragua

Ortega Back From Summit, No Immediate Comment

PA1312003589 Panama City ACAN in Spanish 2345 GMT 12 Dec 89

[Text] Managua, 12 Dec (ACAN - EFE)—Today, Nicaraguan President Daniel Ortega arrived in Managua from San Jose (Costa Rica), without commenting on the sixth Central American presidential summit. The summit concluded with an agreement to demobilize the contras and the Salvadoran guerrilla movement.

Ortega, who signed the declaration of San Isidro de Coronado, the name of the place where the summit was held, returned to Nicaragua at noon today without making any statements to the press.

The Central American presidents signed an agreement confirming "their most vigorous condemnation of armed and terrorist actions conducted by rebel forces in the region."

In addition, the Nicaraguan Government reiterated the proposal it made to the contras in Washington to demobilize the contra forces from Honduran territory before 5 February 1990.

Ortega Demands Cessation of El Salvador Bombings

PA1312054989 Panama City ACAN in Spanish
0517 GMT
13 Dec 89

[Text] Managua, 12 Dec (ACAN-EFE) — Nicaraguan President Daniel Ortega has reported that the Salvadoran Army is bombing the area surrounding a volcano near the Salvadoran capital tonight, "threatening the lives and security of Salvadorans."

In a radio and television address to Nicaraguans to explain the scope of the agreements signed on 12 December in Costa Rica—where the sixth Central American summit was held—Ortega pointed out that these bombings "are against the agreements" recently signed.

"The bombs the Salvadoran Army is launching do not help at all in complying with the agreements we signed on 12 December in Costa Rica," President Ortega, who spoke calmly, warned. Ortega appealed to the Salvadoran Government to cease the bombings.

The Nicaraguan President insisted on the "great responsibility" of the U.S. Government in the fulfillment of the agreements, particularly regarding the points dealing with the demobilization of the "contras" stationed in Honduras.

Ortega recalled that the United States finances the "contras," and therefore Washington has in its hands [the possibility] of "giving some tranquillity to the Nicaraguan people."

"This is now a demand of the Central American peoples, that was ratified at the (Costa Rica) meeting," Ortega added.

Ortega recalled that the deadline for demobilizing the rebels ended on 5 December, and that the U.S. Government's attitude was to oppose the disbanding of the "contras."

Ortega stated: "Thus, I believe it is necessary that the U.S. Government respect the agreements and stop disrespecting the resolve of the Central American presidents and peoples who want peace."

Ortega trusts that with UN support the international community will make efforts to promote the demobilization of approximately 12,000 contras stationed in Honduras, as well as dialogue between the Salvadoran Government and the guerrilla movement to seek a solution to an over 10-year-long war.

Ortega admitted that he gets worried every time he attends a summit, because these meetings "are held under U.S. pressure," but finally "we reached agreements that strengthen the peace process."

According to Ortega, the peace plans signed by the area presidents "have had a good effect in Nicaragua," but he warned that he could not say the same for El Salvador, "with which we cannot be pleased yet."

Contras Reject San Jose Presidential Agreements

PA1212214489 Panama City ACAN in Spanish
2024 GMT 12 Dec 89

[Text] Tegucigalpa, 12 Dec (ACAN - EFE)—The contra leadership rejected today in Honduras the presidential agreements signed in Costa Rica and described the "San Isidro de Coronado" declaration as the sum of "paper commitments that are only repeats of previous summits."

Contra spokesmen Commander "Johnson" said that the first reaction of the anti-Sandinist leadership, headed by Col Enrique Bermudez, was to state that the summit agreements did not solve any fundamental problems in Central America.

"Johnson" told ACAN - EFE that "the agreements did not prevent the Salvadoran war from continuing. relations between Nicaragua and El Salvador remain suspended, and the Sandinists will remain in power," he said.

"Likewise, the condemnation against the Farabundo Marti National Liberation Front [FMLN] that President Alfredo Cristiani achieved is a paper victory that will not be respected," "Johnson" said.

"The final declaration does not include any guarantees that Nicaragua or Cuba will cut its support for the Salvadoran rebels. That is why the condemnation will have no practical consequences," the contra commander said.

The spokesman indicated that "once again, the Sandinist Government has been able to gain time, and the decision made by the presidents to ask the United States to release the funds for humanitarian aid to the United Nations for our demobilization may even be considered a victory for (Daniel) Ortega."

"For a long time the Sandinists were seeking to achieve a resolution of this type because if Washington's aid will be handled by the International Commission of Support and Verification (CIAV), the contras will then become refugees," the source added.

"Johnson" said that the "final decision in this regard will be made by the U.S. Government because it is the one with the money, we only receive it."

Moreover, "Johnson" said that "the only thing positive for us is that the presidents' declaration is so vague that it does not set a deadline for our demobilization."

The "contra" leadership will wait for the initiative implemented by the CIAV before it can outline its own negotiation strategy in view of the "San Isidro de Coronado" agreements.

UNO Leader Comments on San Jose Summit

PA1212184889 Panama City ACAN in Spanish 1655 GMT 12 Dec 89

[Text] Managua, 12 Dec (ACAN-EFE)—Nicaraguan Opposition Spokesman Luis Sanchez has said that the agreements reached by the Central American presidents at their sixth summit, ended early his morning in Costa Rica, "were not dramatic, but will help prevent the worsening of the crisis in the area."

According to Sanchez, leader of the Nicaraguan Opposition Union (UNO) consisting of 14 political parties, "it is very significant that the presidents reached agreements, taking into consideration the very complex circumstances in which the event was held at a time when the Central American peace process was on the verge of collapse."

"Although the agreements will not dramatically change the situation, at least they will stop the escalation of the crisis, which has worsened since the resumption of the Nicaraguan war and the military offensive of the Salvadoran rebels," Sanchez told ACAN-EFE.

"I believe that the only possibility for bringing peace and democracy to the area is by completely discontinuing military actions," the UNO leader added.

Sanchez told ACAN-EFE that his comments were preliminary because the 13-point document signed by the presidents in San Isidro de Coronado should be thoroughly analyzed for an overall picture.

However, he stressed that it is important "for irregular forces, both in Nicaragua and in El Salvador, to demobilize quickly and abide by the principles established in the Central American peace agreements."

At the Costa Rican summit, the Central American presidents expressed their will to put an end to all armed movements in the area.

In addition, they asked the UN and the Organization of American States to help eliminate the presence of the contras and Salvadoran guerrillas.

Resistance Calls for Resumption of Negotiations

PA1312001989 Panama City ACAN in Spanish 2307 GMT 12 Dec 89

[Text] San Jose, 12 Dec (ACAN - EFE)—The Nicaraguan Resistance (RN) today urged the Sandinist government to resume the negotiations they began in the United States in November to "agree on a firm, bilateral cease-fire that can be verified by international organizations."

In a communique released in San Jose, the RN states that the cease-fire must have "real guarantees that establish a climate of trust" for the repatriation of its combatants."

The document, that does not directly refer to the Central American summit that ended in Costa Rica today, is different from the contra statement made in Honduras today, in which the Central American presidential agreements, that are described as "paper commitments," are flatly rejected.

Contra spokesman Commander Johnson said in Tegucigalpa that the anti-Sandinist leadership, headed by former Somozist Colonel Enrique Bermudez, believes that the summit agreements did not solve any basic problems in the area.

After 3 days of difficult negotiations, today the Central American presidents agreed to ask the United Nations and the OAS to help implement the plan for the demobilization of the contra movement stationed in Honduras and of the Marxist Farabundo Marti National Liberation Front (FMLN) guerrilla movement in El Salvador. The San Jose communique signed by RN General Staff Chief Commander Franklin, Psychological Operations Chief Commander Ruben, Commander Dimas, and adviser Artistides Sanchez urges Nicaraguans to continue participating in the election process "to attain Nicaragua's peace and democratization."

As for the presidents of Costa Rica, El Salvador, Guatemala, and Honduras, the communique states that the RN "views the four democratic Central American presidents' efforts to achieve a firm and lasting peace in the region as positive."

Similary, the RN expresses its "concern" over "the Sandinist regime's support for terrorist groups that are trying to destabilize the legitimate Salvadoran Government."

Before leaving for Costa Rica on Thursday, 7 December, Commander Johnson told the press in Tegucigalpa that the Central American presidents should "exercise pressure on Ortega to prevent him from hindering the peace process."

However, three diplomatic sources interviewed by ACAN - EFE agreed that the contras only wanted the Central American presidents to center their discussions on the Nicaraguan political situation and on the war in El Salvador to avoid in-depth discussions on the demobilization issue.

Franklin said that the 12,000 contras and their approximately 35,000 relatives are willing to leave Honduras, but want to go to a country in which they can find "true democracy."

OAS Observers View Masatepe Disturbances

PA1212232089 Panama City ACAN in Spanish 1900 GMT 12 Dec 89

[Text] Managua, 12 Dec (ACAN-EFE)—Mario Gonzalez, chief of the OAS observers team for the Nicaraguan electoral process, said today he was unable to determine—for the time being—who started the 10 December

disturbances in a city in southeastern Nicaragua in which one young man was killed, and 15 persons were injured.

In a news conference today hosted at the OAS offices in Managua, Gonzalez issued a document on his "initial observation of the events" that took place in Masatepe, southeast of Managua, where four homes were destroyed, and one vehicle was burned.

Three days after the incidents, the chief of the OAS observers mission, throughout his news conference, avoided laying any blame on either the Sandinists or the leaders of the National Opposition Union (UNO) for the "grave incidents."

Instead, Colombian diplomat Mario Gonzalez requested that the Nicaraguan authorities continue the investigations to establish who provoked the disorders and to "penalize the guilty parties." In addition, Gonzalez asked the two parties involved "to think it over" and "promote a dialogue" so that such incidents will not occur again. He also suggested declaring a "dry law" and not allowing citizens to bear firearms during political events.

The chief of the OAS observers mission also criticized the political leaders because "they were unable to control the situation and hold a conciliatory dialogue among those who had participated in the violent events." While the two parties in conflict insisted on blaming each other for the "violent incidents" at Masatepe, the OAS expert pointed out that these events "occur suddenly, and it is impossible to establish who started them, and who carried them out."

On Sunday, 10 December, an opposition demonstration led by UNO presidential candidate Violeta Chamorro at Masatepe ended up in a pitched battle.

According to the OAS document, the police authorities decided not to intervene in the conflict, claiming that their presence in the disturbances "would be interpreted as repression of a political event." The document presented by Gonzalez to the local and foreign press emphasizes that "the police did not take any action, nor was there any surveillance in the town to guarantee the safety of the demonstrators or of the people."

It was not until several homes were damaged, and one virtually destroyed that the police decided to intervene at the request of the OAS observers. The OAS observers pointed out that several shots were heard during the pitched battle, but none of the observers could determine who fired the shots.

Likewise, Gonzalez recommended that the police be present in forthcoming demonstrations to prevent such incidents from occurring again. A similar incident occurred on 3 December in Cofradias, 20 km north of Managua.

In Cofradias, Sandinists and opposition members staged another pitched battle where they exchanged "punches, wielded sticks, and threw stones," according to another report issued today in Managua by the OAS observers, who found it "difficult to support the idea that the aggression was one-sided, and that there were only victims on one side and attackers on the other."

UNO Candidate in Masatepe Withdraws, Comments

PA1212145789 Managua Radio Sandino in Spanish 1200 GMT 12 Dec 89

[Text] A candidate for councilman in Masatepe yesterday presented his resignation to the Supreme Electoral Board. Jeremias Mahmoud Sanchez said on tendering his resignation as candidate in Masatepe that the bloody incidents in Masatepe have convinced him that the opposition group is not struggling to obtain better living conditions for the people.

He not only resigned as candidate for councilman but also as president of the Masaya Departmental Commission of the rightist group and as member of the so-called Authentic Conservative Party.

This is what he said when he presented his resignation:

[Begin Sanchez recording] I really do not agree with these violent acts because, as I said before, I believe that we should not engage in vandalism but instead seek more peaceful formulas. According to what I had been told, we were going to use peaceful methods during the campaign. I now realize, however, that it is really just the opposite.

[Reporter] Who carried out these violent acts?

[Sanchez] Some drunk people arrived. I do not know their names. They came in the name of UNO [Nicaraguan Opposition Union]. Their purpose was two-fold: to carry out these violent acts and to provoke the FSLN [Sandinist National Liberation Front] directly.

[Reporter] Are you resigning as an UNO candidate because of these actions?

[Sanchez] Yes. I believe that Nicaragua needs peace and tranquillity. Yesterday's violence proves to me that in my home and in the homes of my closest relatives we are returning to the days of vandalism. [sentence as heard] I really do not think that is right. [end recording]

Sanchez's father, who was a candidate for deputy for the UNO coalition, also resigned.

Government To Pardon Over 1,723 at Christmas

PA1312004989 Panama City ACAN in Spanish 2336 GMT 12 Dec 89

[Text] Managua, 12 Dec (ACAN-EFE)—Nicaraguan National Assembly sources made it known today that the Nicaraguan Government will pardon over 1,723 prisoners, including former Sandinist military members and common prisoners, for Christmas.

During a news conference held in Managua, National Assembly President Commander Carlos Nunez said that

a draft pardon sent by President Daniel Ortega to the National Assembly will be issued tomorrow, 13 December, ordering release of the prisoners.

Before 24 December, the executive branch initiative will release 113 women, 510 former Sandinist military members who committed minor crimes, and 1,100 common prisoners. As for the common prisoners, the sources stated that they involve cases of prisoners abandoned by their lawyers or "cases in which justice has been delayed."

Panama

Officials Call for Noriega as Head of State

PA1112133089 Panama City CRITICA in Spanish 7 Dec 89 p 2

[Article by Luis Bernal]

[Text] The Coordinating Council and the Veraguas Province Technical Board unanimously approved Decree 47, which calls for the appointment of General Manuel Antonio Noriega, the architect of the new government of Panama, to the post of head of government, granting Gen. Noriega enough power to face the merciless aggression of the U.S. Government.

This decree, signed by Ernesto Martinez Alvarez, governor of Veraguas Province, and endorsed by the members of the Coordinating Council, was issued during an important working meeting. Also present at the meeting were: Major Guy de Puy Barranco, chief of the 3rd Military Zone; Darien A. Ayala W., minister of agricultural development; officials of the 1990 National Census; and Mr. Mithchell [not further identified], who explained the new laws that will be implemented by the people's power. We must point out that Corregimiento Representative Jose Rodriguez was selected as provisional chairman of the people's power in Veraguas.

Darien Ayala, minister of agricultural development and people's power coordinator in Veraguas, took the opportunity to answer questions by the honorable corregimiento representatives regarding national production and to coordinate the solution of some problems in Veraguas Province.

The meeting also proved the high morale of Veraguas natural leaders to face any aggression with the Torrijos motto: "Standing or dead, but never on our knees;" and "For Panama, our lives."

Assembly To Grant Noriega 'Full Powers'

PA1312050989 Hamburg DPA in Spanish 0424 GMT 13 Dec 89

[Text] Panama City, 12 Dec (DPA)—The National Assembly of Corregimiento Representatives (ANRC) will grant full powers to General Manuel Antonio Noriega as head of state during its sessions scheduled for 14 and 15 December at the Justo Arosemena Palace, which formerly housed the Panamanian parliament.

Ramon Ashby, an ANRC member, has told DPA this, and he also stated that this organization, exercising its legislative authority, will also approve a number of "instruments" so Noriega may "carry out the necessary changes of conduct with the purpose of promoting the new Republic."

The Corregimiento representative said the head of state will have the authority to make changes in the cabinet and in the leadership of the ruling Democratic Revolutionary Party (PRD).

Ashby said the ANRC does not want Noriega's "symbolic" appointment as head of state, and that, on the contrary, they intend to provide him with the instruments to "guarantee the struggle for national liberation and to face the U.S. imperialism."

Noriega, 54, is a military officer who graduated from the Chorrillo Military Academy in Peru. He has been head of the Panama Defense Forces since 12 August 1983.

Opposition leader Guillermo Endara made fun of that possibility and said that "the most appropriate thing to do is to appoint him (Noriega) emperor."

Meanwhile, opposition leader Ricardo Arias Calderon, president of the Panamanian Christian Democratic Party, said Noriega's appointment as head of state by the ANRC would be "to lead the country on the path of a fascist dictatorship that gives a single leader all military and civilian powers."

Manfredo Not To Appear Before National Assembly

PA1312020889 Hamburg DPA in Spanish 0000 GMT 13 Dec 89

[Text] Panama City, 12 Dec (DPA)—Deputy Panama Canal Administrator Fernando Manfredo announced today that he will not change his decision to accept the U.S. Government invitation to administer the Panama Canal as of 1 January 1990 even if the Panamanian Government decides "to expropriate his goods and strip him of his nationality."

Manfredo, whose appointment as canal administrator has been rejected both by the Panamanian Government and the opposition, said: "None of that will change my decision. I am willing to face all risks and to experience all the necessary problems, because I am convinced that with my decision I am defending Panama's best interests."

According to the Torrijos-Carter treaties, the United States will appoint a Panamanian citizen proposed by the Republic of Panama as canal administrator in 1990. The Panamanian Legislative Assembly proposed Tomas Gabriel Altamirano Duque, but the United States said it would not accept any candidate proposed by "General Manuel Antonio Noriega's illegitimate regime."

Fernando Manfredo also told reporters that he would not heed the summons sent to him to appear before the National Assembly of Corregimiento Representatives (ANRC) on Thursday, 14 December, because that forum has the "wretched intention" of making "subjective decisions" against him, such as stripping him of his nationality, labeling him a traitor to the homeland, and seizing his property.

Manfredo said that at first he had the intention of appearing before the ANRC, but that in view of the atmosphere of "emotions" that various corregimiento representatives have displayed in the last few days, he decided that it "was not suitable" to attend a meeting that "will not be productive."

Manfredo rejected the accusations of betrayal made against him and said that he would have betrayed the homeland if, out of fear, intimidation, or personal comfort, he "would have allowed a U.S. citizen to become the canal administrator in 1990."

The current canal deputy administrator, who was appointed to that post by late General Omar Torrijos 10 years ago, also criticized the fact of having been "abandoned by all the Panamanian governments" that came after the 1984 administration of Acting Panamanian President Jorge Illueca.

Manfredo said that during Illueca's administration he was always invited to attend all the general state councils, but since that time and until now the governments "do not invite me to participate in anything that has to do with the canal."

Trade Office Head Reports on Soviet Relations

PA1212164789 Panama City Domestic Service in Spanish 1155 GMT 12 Dec 89

[Text] Planning Minister Gustavo Gonzalez met in his office with members of the PRD [Revolutionary Democratic Party] Businessmen's Front to give them a detailed report on the results of a visit of the Panamanian commercial delegation, which he headed, to the Soviet Union recently. As an immediate result of this visit, an agreement with the Soviet Union, ratified this year and which dealt with the appointment of a Panamanian official as a charge d'affaires in the Soviet Union, has been implemented. The person designated is Carlos Jimenez, who explains the economic perspectives for Panama with the new commercial relations.

[Begin Jimenez recording] Panama will be able to diversify its economy and commercial relations. This will result in many benefits both for Panama and the Soviet Union. In establishing this relationship, Panama intends not only to ask for, but also to offer, advantages. Panama is mainly a trade, transit, service, and banking center. All of this is of benefit to the Soviet Union, which also seeks to expand its sphere of influence to other areas. The relations to be established will be based on equality toward mutual benefit. The short-term and medium-term plans for this relationship will be trade and cooperation in various projects important for Panama, particularly those that prove financially beneficial for the country. During the visit of the delegation, headed by Minister Gonzalez, to the Soviet Union on 10-20 November, several projects, such as refurbishing the Panama railroad, completing hydroelectric plants, and establishing electrical interconnection, were discussed. The delegation also talked with Soviet officials on the expansion of some ports and the construction of others, and the possibility of establishing duty free zones. All this is designed to allow Panama to profit from its geographical situation.

Once certain studies have been made, the Soviet Union will send a technical delegation during the first quarter of 1990 to implement all of these measures. Part of the work of our mission was to prepare the way for the arrival of this technical mission to Panama. Consequently, they will come to Panama with a clear idea of what we request and what we have. Proper contacts between Soviet enterprises and Panama remain to be established. Perestroyka involves the principle that enterprises negotiate on their own. All of the activities are not necessarily centralized in the Soviet state, as in the past. Soviet enterprises can now negotiate with the state or other private enterprises. Panama and the Soviet Union are considering establishing full diplomatic relations with one another. One of the first steps in this direction is to open this trade office. [end recording]

Provisional President Replies to Bishop's Letter

PA1212011989 Panama City LA REPUBLICA DOMINICAL in Spanish 19 Nov 89 p 11B

["Text" of letter from Provisional President Francisco Rodriguez to Darien Province Bishop Monsignor Romulo Emiliani dated 14 November]

[Text]

The Most Reverend Msgr Romulo Emiliani

Darien Province Apostolic Vicar

Meteti, Darien

Dear Msgr Emiliani: I have carefully read the letter you sent me from Meteti, Darien on 1 November. On more than one occasion I have wanted to review its content to confirm the valuable contribution of your thoughts as a base for a broad and constructive dialogue.

I can assure you that since I took office as provisional president, I have been aware of the great responsibilities inherent in this post under the current circumstances. To defend the Panamanian fatherland against the tangible and evident attempt to destroy it, while at the same time trying to reduce the human suffering imposed on us, and to also establish a foundation upon which general elections can be held, are some of the vital aspects of the task

that I have been called to perform and will not ignore no matter how great the difficulties and perils may be.

Like you, I harbor the conviction that the best premise for democracy is conciliation because by adding efforts and talents in the search for our welfare, not only will the fruits be more abundant, but they will also be long lasting. However, I feel that the first impetus regarding conciliation must be based on an awareness of our situation that is free from ideological prejudices and biased distortions, so, in line with the objectives that you mention, we can find the narrow and firm path that will lead to a better general welfare.

As you will no doubt recall, in His Holiness John Paul II's masterly guide for the Christian politician, his encyclical "Concern Over the Social Issue," one of the most profound and painful complaints dealt with was the control the large powers have over the news and cultural media because of the systematic way in which it distorts people's reality. Indeed, when power is able to create a distorted view of a society's reality, the situation becomes sinister and diabolic since it manages to manipulate man's conscience and control his will and behavior.

Concurring with your pained expression of faith in democracy, and as the son and current head of a family having Catholic morals, I, too, greatly support the existence of democratic institutions. I am sure that in this regard, the vast majority of Panamanians, opposition and government, civilian and military, and rich and poor concur with us. However, we have not begun to discuss what each one of us or at least what our representative leaders feel democracy is. We have not yet faced the moment of defining the vocabulary of noble ideals so the people can judge for themselves, realizing what they stand to gain or lose, conquer or sacrifice, and what will lead to destruction or to the drive to create. If the dialogue entails using words, they cannot be used as abstract concepts but as the conveyers of precise meaning recognized beforehand by the sides involved in the dialogue.

I appeal to your well-known even temper as a man of good will when I propose that you consider that a large sector of our society does not believe that what the U.S. Government is seeking in Panama is the establishment of a democracy or that it will be pleased if we have an elected government. A considerable sector of Panamanian politicians find it impossible to forget that the U.S. military interventions in our America have not been intended to establish a democratic government in Panama, much less a democracy guided to struggle against poverty, ignorance, and backwardness.

The United States is an admirable nation, and its people know how to consolidate great citizens' virtues. However, when their government goes beyond its borders and the democratic principles of its constitution, the greed of the powerful seems to prevail. The meaning of noble words is changed as it becomes evident in presidential statements on the need to restore democracies. Such is also the case of Nicaragua where the people today can only remember, prior to 1979, having decade after decade of an atrocious tyranny and despotism under the U.S. interests, no matter how costly it was for the people.

Meanwhile, and in reference to your observations about the current political model of the country, we must point out that the pluralism that is characteristic of the Torrijist ideals has made it possible for the paths to the highest official posts to always be open to people having the most varied social and ideological positions.

However, as we analyze the last 21 years, we can discern how a manner of thinking was gradually induced—artificially worsened and coming from abroad in the recent times—in the sense that to participate in the government was a fault. The use of the word "decent" in the same manner in which other "crusades" use it throughout history came to mean that for a certain oustanding sector of Panamanian society accepting a government position was not "decent." That notion, Msgr Emiliani, is not a national product nor does it result from our reality because many of the people who have been criticized during the past 21 years are today acting among the converts of "democracy."

The country has big problems and the solutions are difficult, but possible. Who more than I would now want to have available all the talent and capacity this country has in order to rule better?

I agree with you that the division in the country is quite serious. I do not share your apprehension over the possibility of a violent situation because without the U.S. Government intervention, this possibility is reduced considerably, and also those who are most afraid have begun to see that they have made sacrifices for interests that are not theirs.

The issue of the division of the Panamanians family also brings up the problem of manipulating the perception of reality and using lies as instruments of control. It is a fact that there are very valuable men among the leadership of the opposition who have a more clear understanding of the current situation, and they could make significant contributions in the country's recovery. Then, there are others, who are moved by their personal ambitions of power and wealth, and who prefer to use the scheme created by the agencies of the U.S. Government who engage in promoting governments of an elite minority—governments that are annointed as democracies by U.S. official politicians and not as a result of their work or merits.

This tragic trick has cost Panama much because it has deprived it of the rectifying presence of an opposition that works for the good of all, watching for mistakes to be corrected, for the reorientation of the policies that fail, for the removal of corruption, and above all, for observing the people who maintain the things which truly concern them and who are able to improve the quality of life for everyone.

I would like to go over these things more than once with you and with men like you, who have wanted salvation to come not from the false prophets of Washington, but from ourselves. At no time have I thought, nor have those who support me thought, that this business of ruling is for some and not for others. What moves the political leadership of my government goes beyond the conciliation that you so gallantly forecast as possible, but we must present things in terms of the real world and not in terms of foreign-made illusions.

A sense of urgency presses me to make this call because I know that we Panamanians are able to progress and have men who are capable of leading with swiftness and success. Because I also know that delay is paid with a coin that is not ours, as we are dealing with the sufferings of others—human sufferings that can be eased.

I would like to share with you one last reflection for now, and I hope God will help us to improve concepts and make them more productive so they will be more acceptable to others. One of the things that has really shaken me in recent times is the way in which the argument that there is no trust, that we have to reestablish trust because, if not, we are lost, is repeatedly used.

Here, all domestic and foreign investors can have a total and strong trust because we are not thinking like communists or about taking anything away from anyone, and because we know that the only way to end poverty is by generating and distributing riches in a better manner. The trust that we lack, Msgr Emiliani, is the trust in ourselves. We do not have the confidence to believe that we can save the nation without impairing our independence or sacrificing our sovereignty, that is, without having to accept the imposition of plans that are foreign to our nature and national identity.

Although, we presently govern, along with the nation's organized forces, we would like to increase the consensus as much as possible and are more than willing to reach a reconcilliation—but without putting the nation's survival at stake.

The division that worries you so much and is the main topic of your letter involves very old concerns. At a glance, one could believe, as you said that "two republics are being born." For a long time, the U.S. presence and domain have divided us between those who wanted an independent republic only by name, and those who wanted our liberation, but not a fictitious one.

U.S. intervention has caused and continues to cause very serious limitations on our national development. Our economy—open, vulnerable, and excessively dependent on that hegemonic center—aided in increasing the social injustices suffered in the past because often the people's needs were not regarded as the main priority. That is how Torrijism emerged, which maintains that minorities can only have legitimate right to their wealth when it is not obtained at the expense of others. What is odd about this, as I recently said, is that those who have more possessions will be more secure, and those who have less will live better.

In addition, nothing has proven more effective than the system based on consensus, which is what this government is trying to achieve so no one is put off or excluded from participating in the policies that affect everyone's interests.

For us that is the irreplaceable predicate of full democracy. Nothing would please me more than reaching an agreement among ourselves on that basis. I would also like to ask you to please include this aspiration in your prayers for all of us.

Finally, Msgr Emiliani, I see no sectarian political motivation in your concepts or statement. On the contrary, I am impressed by the sincere concern shown by a compatriot about the country's fate, which has been expressed with the honesty and responsibility that circumstances demand. In fact, your letter did not reflect the notorious, open, and declared political prejudice that on some occasions characterizes the attitude of other Panamanian Church representatives.

May I reiterate my sincere esteem to Your Excellency.

Francisco Rodriguez, provisional president of the Republic.

PRD Leader Responds to Bishops' Communique

PA1312012189 Panama City Televisora Nacional in Spanish 2319 GMT 12 Dec 89

[Text] Carlos Duque Jaen, president of the Democratic Revolutionary Party [PRD], has sent a letter to Monsignor Jose Dimas Cedeno, president of the Panamanian Bishops Conference [CEP], noting that this presents a good opportunity for all Panamanians to make a great effort and adopt attitudes leading to political conciliation and human solidarity. Duque Jaen's letter replies to a CEP communique issued at the beginning of the new church year that said the country's constitutional life and judicial system entered a stage of evident deterioration on 1 September.

To this effect, the PRD president explained that the existence of a provisional government is not the responsibility of any political group in particular, and that the U.S. meddling in our affairs entailed the interruption of the electoral process and the corresponding presidential term. Carlos Duque Jaen also referred to the human rights issue that Bishop Jose Dimas Cedeno mentioned in his communique, and that is also included in the report presented by the OAS Human Rights Commission. Duque Jaen pointed out that there has always been a biased viewpoint on this subject. He then added that it could be said the report presented by the Human Rights Commission before the 19th OAS regular session is tendentious, biased, and contrary to the interests of Panamanians.

The political leader said in his letter that no great effort is needed to reach the conclusion that there is a separation among Panamanians. However, what we have to do, he said, is carry out actions that will promote political trust so we can talk realistically about the democratization of the country, individual and collective freedoms, respect for human rights, respect for our national sovereignty, an end to the political, military, and economic aggression of the U.S. Government, and strict compliance to the Torrijos-Carter treaties.

All Panamanians are obliged to institutionalize the dialogue among all sectors of our society, Carlos Duque Jaen emphasized in his letter, and, to do this, we must act as true Panamanians, without being submissive or vengeful. We must bear in mind at all times that the country is expecting just and realistic answers in line with the situation.

Legal Action Taken Against Coup Attempt Leaders

PA1212163089

[Editorial Report] Panama City MATUTINO in its 12 December 1989 issue, on pages 9 and 10, carries legal notices against two former Defense Forces Officers, Majors Giroldi and Licona, leaders of the 3 October 1989 foiled coup against General Noriega, and Jose Blandon, former Director of the Institute of Hydraulic Resources and Electrification.

Each of the three notices lists the name of the person involved, adds "whose whereabouts are unknown," and reads: "...he or his legal representative is hereby summoned to be present at the legal mortgage foreclosing proceedings that have been filed against him by the Social Security Institute.

Notice is also served that, if within 10 days after the last publication of this notice, said person or his representative fail to appear in court, a legal counsel will be appointed by the court to act on his behalf in the legal proceedings until the end of the case.

Therefore, the present notice is hereby fixed in a visible place in the Secretary of the Court's Office, and is hereby forwarded for its publication as decreed by law.

Panama, 5 December 1989

Judge, Alfredo Sanchez O.

Secretary, Montserrat Gonzalez."

Legal Firm Receives Marine Monopoly in Honduras

PA1112133789 Panama City LA REPUBLICA DOMINICAL in Spanish 10 Dec 89 pp 1, 8A

[Text] The legal firm Morgan and Morgan, the biggest shareholders of which are the brothers Eduardo and David Morgan, [Former Panamanian President] Aristides Royo, and Alberto Calvo, had already started to prepare for the United States' official announcement that it would not allow Panamanian-flagged ships to enter U.S. ports.

Morgan and Morgan owns the inspection and classification firm "Panama Bureau of Shipping" and other affiliates with the same or similar names. This Panamanian law firm got the Honduran Government to authorize these companies to operate as they did with the Panamanian Merchant Marine.

The Morgans have also managed to get the Honduran Merchant Marine to give a monopoly to the recently formed Honduran firm "Annual Inspection Maritime Bureau." The Morgans are partners in this firm that has signed a contract to have a world inspector network inspect the ships registered under the Honduran flag on a yearly basis. Shipowners are cancelling their ships' Panamanian registry due to the U.S. boycott and the Morgans are making it easy for the ships to be quickly flagged in Honduras.

This situation indicates that the Morgans are repeating in Honduras their actions during the Aristides Royo administration. During that period, they monopolized the majority of ship registrations in Panama and held approximately 70 percent of the flaggings.

More than half of the flaggings over the past 3 years have come through Japan, where Ambassador and Consul Alberto Calvo is stationed. Calvo is also a partner of Morgan and Morgan.

U.S. To Turn Away Nonregulation Garbage Trucks

PA1212233989 Panama City Domestic Service in Spanish 2204 GMT 12 Dec 89

[Text] Nancy Trotter, official for the U.S. side of the Joint Committee, has announced that following orders of General Thurman and General Cisneros the garbage trucks of the Metropolitan Directorate of Sanitation will not be able to enter the Cerro Patacon garbage dump as of 13 December 1989. Cerro Patacon is the Panama City garbage dump located in a reverted area. However, the entrance road is the Chivo Chivo road that is considered a military coordination area, where both Armed Forces jointly exercise police action and the right of way is specifically authorized by the treaty.

Nancy Trotter said that the U.S. Armed Forces will unilaterally inspect the garbage trucks of the Republic of Panama and will determine if they comply with the Army's requirements. If not, they will not be allowed entrance. This will jeopardize the Panamanian people's health, particularly now at Christmas time when the volume of garbage increases.

In addition, the U.S. Government has imposed an economic aggression, and since 1987 it has ordered the Panama Canal Commission to withhold from the Republic of Panama payments of $10 million annually for public services, including garbage collection in the canal area. In spite of this, the Republic of Panama has continued collecting garbage, though this is to the detriment of the maintenance of its fleet of trucks.

Argentina

Further on 10 Dec 'Corrections' to Economic Plan

Economy Ministry Communique

PY1112192489 Buenos Aires CLARIN in Spanish 11 Dec 89 p 33

["Text" of communique on economic measures released by the Economy Ministry on 10 December]

[Text] The national government has today (10 December) decided to implement several corrections to the economic plan—including modifications to variables such as the currency exchange rate, wages, and public utility rates—in order to face the disorders that have taken place in the currency exchange market over the past few weeks.

To better facilitate the measures, the government has declared a banking and currency exchange holiday for 10 December.

These corrections ensure greater proficiency for the current economic structural reform plan and represent the executive branch's ratification of the objectives of its economic plan, which is actually a strict budget for the productive revolution.

The following is a detailed summary of the measures that have been approved:

Income Policy

The government ratifies the price policy implemented last July. Its guidelines are included in Resolution No 3 of the Interior Commerce Secretariat and in the voluntary agreement signed on 15 July by leading industrial companies.

Within this framework, the Interior Commerce Secretariat will issue a resolution to adjust prices according to the effect these measures will have on costs.

A resolution will be issued to deregulate the prices of products freely sold in clear and competitive internal and external markets.

This ministry will also restructure Resolution No 50 and the list included in its Annex 1. This restructuring is linked to the deregulation of prices mentioned in the previous paragraph.

Regarding salaries, the executive branch has ordered a 30,000 australes increase for public employees who are not under a collective contract; this includes public employees from the education, public health, and interior security sectors, among others.

These employees will also receive an average increase of 4,000 australes in family bonuses.

A 24,000-australes wage increase has been established for private and public companies.

In all cases, the increases must be paid in December.

Public Sector

The national fiscal policy will treat social expenses as a priority. The 1990 national budget will therefore be restructured so as to increase funds for health, housing, education, and security.

The budget must yield an operational surplus to allow the payment of the service of the debt.

This is why the government has adopted a policy to modify the 1990 budget, including the following aspects:

Fifty-six special accounts and their respective administrative services will be eliminated.

The system of privileges in the Social Security service will be abolished.

All of the sectorial control organizations will be dissolved.

The credits authorized by the 1990 budget may be adjusted only through laws.

The National Treasury will not release funds to finance state company deficits except for paying the foreign debt and wages of the Argentine Railway Company.

The treasury will not deliver funds to compensate for the deficits of the provinces. The treasury will not pay advances or subsidized credits to provincial banks.

The payment of public services will be partially transferred to the provinces. This payment will be equivalent to 1 percent of the GNP.

The social security budget will be balanced.

YPF [Government Oil Deposits] will reduce well-drilling investment.

The scheduled treasury contributions to the railway account will decrease, thus reflecting a transformation of the enterprise.

The provinces will repay the debts they owe to state-run companies.

The under secretariats, organs, councils, and secretariats of the presidency will be completely eliminated and the dismissed personnel will be trained and transferred to the private sector.

The sale of government-owned real estate will be expedited.

All of the subsidies and privileges suspended by the economic emergency law will be eliminated.

The treasury will not repay the financial state-owed foreign debt [deuda financiera externa publica] and will not guarantee the endorsements granted to state or provincial enterprises.

The treasury will not guarantee any new foreign financial operation by state-run organs or enterprises.

Public enterprises will be financed exclusively with their current income, with resources from specific funds, and with the foreign credit that they may obtain with their own assets.

The Central Bank will not finance the operational deficits of the public sector except for those based on fixed budgeted amounts.

A capitalization system will be implemented for the social security sector based on private funds. The system will include wage earners and nonsalaried workers.

Concerning privatization and the sale of state-owned assets, each ministry will submit, within 60 days, a detailed timetable of the deadlines for the sale of the assets listed in Law 23696.
The 1990 budget law will include state-run corporations and enterprises that will be transferred to the public sector and that have not been included in the current resolutions.

Tax Policy

The revenue calendar foreseen by the executive branch is confirmed with the approval of the tax reform and the emergency tax measures approved in December.
This means that the tax reform approved by Congress will be valid as of next 1 January.

Public Utility Rates Policy

Given the depreciation of public services utility rates, the executive branch has decided to make some corrections.
This means that as of 0000 11 December, the price of premium gasoline will be 430 australes per liter, which represents a 59 percent increase.
The price of regular gasoline will be increased to 360 australes and diesel fuel to 227 australes per liter, which represents a 61 and a 62 percent increase, respectively.

Monetary Policy

The objective of the monetary policy will be not to expand the money supply above the monetization level of the economy. The monetary effect created by interest paid on the internal debt by the Central Bank will be compensated for through income generated by a National Treasury bond to be exchanged for dollar-denominated debt notes, which represent credits against the National Treasury.

The Argentine Central Bank will no longer issue new monetary regulation notes, but it will be able to carry out open market operations with national government notes.

The government has also decided to reschedule the internal debt and to pay for it with National Treasury funds and new National Treasury notes.

The Argentine Central Bank will no longer consider requests for new funds, pending debt discounts and loans, and tax exemptions requested by public or private banks, except for credit assistance in cases of illiquidity and for Bank Superintendency needs.

The new loans that are obtained within the framework of the prefinancing and financing of promoted exports program will not be included in the Central Bank's restrictions. The discount notes chargeable to credit balances not used in the credit lines granted to other countries will be excluded from the export financing system.

The level of reserves will depend on the monetization of the economy and on the fiscal surplus.

The Central Bank will not grant foreign currency financing to the treasury.

The 1990 budget law will include two articles concerning responsibility for the internal Central Bank debt and the exchange of stock market-rated national certificates for export bonds.

One of the articles shall empower the national government to assume responsibility for the Central Bank's internal debt—on which interest is paid—for a yearly amount in U.S. dollars which may not exceed the total of the interest and amortization paid on export bonds on the market.

The other article shall empower the Central Bank, in its capacity as the nation's financial agent, to sell export bonds to obtain the necessary funds for repaying the debt referred to in the previous paragraph. The Central Bank shall also be empowered to exchange the national stock market-rated bonds that have been issued as of the date the budget is approved.

The procedure outlined in the two articles above shall be enforced through public bidding.

Financial Restructuring

The current structure of bank deposits in the Central Bank shall be changed on conditions of initial monetary neutrality [neutralidad monetaria inicial]. This measure will improve the management of the monetary policy, helping to more clearly reflect the cost of bank deposits, to describe this cost in the national budget, and to simplify the procedures in this area.

In this regard, the following deposits will be canceled as of 1 January 1990: The time deposit under "A" Resolution 1241; the special deposit under "A" Resolution 1242, and the nonavailable deposits under "A" Resolutions 1292, 1308, and 1324. As of 1 January 1990, the following requirements shall be eliminated: The creation of financial assets under "A" Resolutions 1096 and 1099, and the special monthly deposit that is established on the basis of time deposits, foreign currency purchases [pases pasivos], and monthly bank acceptances.

A compulsory special deposit—on which interest will accrue but which may not be considered as part of the minimum-required cash deposit—will be enforced as of January 1990. It will be based on the amounts held in special monthly savings accounts, time deposits, bank acceptances, and foreign currency purchases.

Two types of institutions will be required to comply with this new measure: First, provincial and municipal public banks and financial institutions; second, other banks and saving funds.

The situation of each institution will be considered so that they can comply with the new requirements. The new requirement must be met within a deadline to be established.

A significant portion of the special compulsory deposit will be frozen. This will avoid any sudden liquidity fluctuations which might have an impact and to facilitate its management. The rest of the deposit will be kept on call. The amount will be based on the monthly average of the daily balance.

To compensate for the imposition of the special deposit, the Central Bank will receive a National Treasury bond. Once all the factors that influence the initial expansion [expansion primaria] have been controlled—the monetary contraction that will result from the collection of interest and from the amortization, and the gradual monetization of the economy—a gradual decrease in the compulsory deposit will follow.

In addition to this special deposit, financial institutions will continue to comply with the obligation to deposit minimum reserves—depending on the type of deposit or operation—on which no interest is paid.

To compensate for the treasury bond that the Central Bank will receive for each special deposit, the National Treasury will grant credits to the Central Bank. These credits will become part of the bank assets.

A commission will be created to turn Central Bank assets into cash through the private sector, via public or private bidding or through competitive offers. For this reason the commission will need to be small.

The income obtained from Central Bank assets will be used to release the legal reserves.

To implement this, the government is preparing one decree in which the internal debt will be rescheduled; another decree in which foreign bonds for 1989, worth $1.5 billion, will be issued; another decree in which bonds for the conversion of Central Bank non-available deposits, on which interests are paid, will be issued; and a decree creating a new investment and growth bond.

Currency Exchange Policy

In the field of currency exchange policy, the government has decided to divide the single exchange market into an official exchange market and a free exchange market.

The official exchange market will consist of purchase and sale operations of currency that result from commercial and financial operations that were permitted under the former single exchange market regulations.

The exchange rate for these operations will be set by the Argentine Central Bank, which has established that the dollar exchange rate will be 1,000 australes to the dollar.

The free exchange market will handle transactions without the intervention of the Central Bank, using prices freely agreed by the two parties, without limits to amounts or terms.

The free exchange market will also handle transactions not specifically included in the official exchange market—including financial transactions authorized in the official exchange market but which have voluntarily been made through the free exchange market—without being identified and without restrictions.

The financial institutions will be able to carry out term operations in the free exchange market, under their exclusive responsibility and risk, and under Central Bank regulations.

The Argentine Central Bank will sell the resulting surplus hard currency on the free currency exchange market under conditions which will be specified in the future.

Foreign Trade

The government has decided to extend its policy of commercial openness; the foreign trade secretariat will issue resolutions that will reduce import tariffs by about 10 percent and that will modify some of the regulations in Annex II.

The foreign trade secretariat will issue a resolution to increase by about 11 percent the volume of export dollars withheld by the Central Bank.

Import tariffs have been reduced through an Economy Ministry resolution, which emphasizes the need to promote industrial development and to improve the level of competitiveness both at home and abroad.

The resolution notes that it is necessary to absorb the impact that the exchange rate modification ordered by the monetary authorities will have on local market prices.

The resolution states that import tariffs which range from 37 to 40 percent are reduced to 30 percent; that 35 percent tariffs are reduced to 28 percent; that tariffs of 31, 32, and 33 percent are reduced to 25 percent; that 30 and 28 percent tariffs are reduced to 23 percent; that tariffs of 25, 26, and 27 percent are reduced to 20 percent; that 23 percent tariffs are reduced to 18 percent; that 20 and 19 percent tariffs are reduced to 15 percent; that tariffs of 12, 13, and 14 percent are reduced to 10 percent; and that 10 percent tariffs are reduced to 5 percent.

The following modifications have been incorporated into the tariff system established in Article 9 of Economy Ministry Resolution No. 254/89, which states that an import tariff plus an additional tariff must be paid: Items paying 45 percent plus an additional 15 percent tariff will now pay 30 percent plus an additional 15 percent tariff; items paying 40 percent plus an additional 10 percent tariff will now pay 30 percent plus an additional 10 percent tariff; items paying 26 percent plus an additional 8 percent tariff will now pay 20 percent plus an additional 8 percent tariff.

Capital Market

In addition to creating the free exchange market, two bills will be drawn up proposing a reduction in the taxes on currency and security transactions.

The executive branch will submit to Congress a bill on negotiable obligations and another bill creating a common investment fund.

Amortization of Internal Debt is Postponed for 2 Years

The government has decided to postpone for 2 years the maturity dates of the amortization of public debt certificates. The interest, however, will be paid on the due dates.

These are the certificates included in this measure: adjustable bonds with real profits, austral-denominated government bonds, official dollar-rate denominated adjustable government securities, federal bonds, consolidation bonds, export credit bonds, official dollar-rate denominated adjustable government bonds, provincial financial improvement bonds, adjustable Central Bank export bonds, and dollar-denominated Central Bank bonds.

The amortization of these bonds will be paid from their original maturity dates to the new maturity dates in compliance with the conditions on which the bonds were purchased. Interest on each period will also be paid in compliance with those conditions.

To the extent permitted by the availability of treasury funds—either resulting from the collection of taxes or from the issuance of new bonds—the government will reconsider rescheduling the internal debt.

Menem Says Measures 'Revolutionary'

PY1212213489 Buenos Aires TELAM in Spanish 1648 GMT 12 Dec 89

[Text] Buenos Aires, 12 Dec (TELAM)—President Carlos Menem said today that the economic measures implemented by his government "are the only way for Argentina to gradually emerge from a painful situation." He called the measures "revolutionary."

Menem said that he is confident that society believes in the current economic policy. He added that, in other countries "with less responsibility than Argentina," measures of this kind "created real scandal and chaos," but here "the people continue to have faith not necessarily in an administration, which is temporary, but in Argentina."

Menem made these comments at the Jorge Newbery Metropolitan Aiport as he welcomed Bolivian President Jaime Paz Zamora, who arrived for a 48-hour official visit to Argentina.

Menem admitted that the protests over the implementation of the measures "are normal" but "it was necessary to implement the measures to balance things out and to move toward an economic balance aimed at solving our country's social problems."

Menem went on to say that the fuel price increase is "logical" because "the state cannot continue to subsidize fuel because it doesn't have the resources." He added: "I do not want to put the printing press at the mint to work because it will destroy our currency. What I plan to do is to establish economic stability; this is the aim of the measures."

He told reporters: "Do not forget that there is a salary increase to compensate. There has been a devaluation, but to counteract that there is a salary increase to balance things out practically without a major social cost."

He said that the current economic policy "is the inevitable temporary path toward a medium- and long-range plan." He said that he does not think the government will make new adjustments to its economic policy in the future.

Answering a question on whether his administration implemented an incorrect economic policy when he took over, Menem said: "When I took over the chaotic situation in Argentina on 8 July, it was logical for us to make some mistakes." He added this is why "a readjustment had to be made."

Economy Minister Addresses Nation

PY1212015889 Buenos Aires Argentina Televisora Color Network in Spanish 2302 GMT 11 Dec 89

[Speech by Economy Minister Nestor Rapanelli in Buenos Aires on 11 December—recorded]

[Text] Ladies and gentlemen: As the economy minister for a president who has made a point of always speaking candidly and telling it like it is, today I am committed to giving clear and intellectually straightforward answers to any concerns and questions that you may have at this time.

I would like to explain the reasoning behind the measures that we released last night and our strong belief that we are on the right track to the objectives outlined by our president in his speech on 6 July.

Faced with a widely recognized explosive situation when we took over and lacking the time to make an in-depth analysis of the complex problems that confronted us, we were forced to act with the speed of an emergency room doctor who must treat a patient who is suffering from serious wounds, unknown internal injuries, and growing complications.

Our first objective was to shock people into trusting us. The president was determined to carry out an in-depth structural reform—not only in the state—but also in the habits, customs, and state of mind of all Argentines.

We then set into motion all these reforms. Administrative and economic emergency laws were enacted to curb

inflation, to reduce the fiscal deficit, to rebuild our reserves, to return to society the ownership and management of many assets that were in the hands of the state, and to end all kinds of subsidies and privileges that were enjoyed by a few but paid for by all.

We helped salaries regain their purchasing power and reached a price agreement that, together with other well-known measures, led to a swift stabilization of the situation, a drastic drop in inflation, and a steady growth in foreign currency reserves.

This favorable situation lasted almost 4 months. At the end of this period a growing change in expectations seized certain sectors. This trend rapidly spread to other sectors and was most clearly epitomized by the rise in the parallel rate of exchange of the U.S. dollar.

What happened? I will explain it briefly. The hypersensitive reflexes of certain sectors that had a fresh memory of this past 6 February [when economic adjustments ordered by the Alfonsin administration to curb the austral's plunge against the U.S. dollar resulted in a worsening of inflation] and the speculative maneuvers fostered by a parasitic and inflation-sensitive mentality led to a persistent run on the dollar. Although the trust awakened in the people at the beginning of the economic plan had prompted greater acceptance of the austral, thus allowing the Central Bank to significantly build up its reserves, with the change in expectations the australes issued by the bank helped fuel the run on the dollar.

The government—despite the undeniable improvement in all the economic variables, including the excellent trade balance, the growth of foreign currency reserves, the decline in public expenditures, the increase of revenues, etc—was unable to extend a feeling of tranquility to the market. We believe that the economic operators felt, correctly or incorrectly, that the government was not acting as quickly and firmly as possible to make fiscal adjustments, especially in curbing public expenditures. At the same time, the initial measures against the run on banks and the U.S. dollar may have been interpreted as hesitant and contradictory. And last but not least of all considerations is the need to frankly acknowledge that many noneconomic events may have been viewed as threats to the continuity of the economic stabilization plan.

We must also stress the lack of foreign funds, which prevented us from having the necessary reserves to maintain the exchange rate despite market pressures.

To some extent, all these factors fueled the rise of the exchange rate for the U.S. dollar and awakened growing concerns among key productive, financial, and commercial sectors.

The technical parameters were telling us that our variables were right. But a combination of factors—some real, some psychological—led to new developments that refused to acknowledge the positive trade and operational surpluses, the accumulation of foreign reserves, the decline of expenditures, and the increase in revenues. Instead, attention was drawn only to the temporary difficulties. This forced us to either concentrate on maintaining the merely instrumental variables or to redefine our short-term strategy.

These are the facts, and experience teaches us that we must bow to reality. Thus, to maintain our economic objectives, whose medium- and long-term benefits have never been doubted, we have decided to reassess the situation and to eliminate the economic causes of the difficulties that we are now facing.

To accomplish this we have established a new exchange rate that is substantially higher than the previous one. We will allow the operation of a free exchange market that will fluctuate according to supply and demand. We have increased utility rates, which were falling behind costs, thus allowing public services to continue operating. We granted a compensatory salary hike, increased family allowances, and firmly stimulated fiscal streamlining.

Every day we will continue to reduce public expenditures and move forward with the privatization of state enterprises, because a structural reform is the only firm foundation for growth.

I am not going to go into details about the measures that have already been announced by the media. However, I would like to employ the same frankness to answer another question that I know you would like to ask: Why will the short-lived policies that served to break hyperinflation work now? How can we know that in 2 or 3 months there will not be a new crisis?

Let me list my reasons, which are based on facts and not on mere good intentions. First, we have the commitment of the president, who has repeatedly stated in our country and abroad his firm determination to completely carry out the process of in-depth structural reforms that was launched at the beginning of his administration.

Second, in the economic field, I would like to point out that, as compared to the situation we encountered in July, our inflation rate for November stood at slightly over 6 percent, as opposed to 200 percent only 5 months ago. We also have reserves amounting to $1.4 billion; in July there were no reserves at all. Fiscal revenues have increased substantially and will increase even further through the tax reform law. The purchasing power of salaries has more than doubled as compared to what it was in July. We have a precise timetable for privatizations, a $5 billion trade surplus for 1990, an operational surplus of $200 million per month, and a strong flow of investments that, beginning with the oil and petrochemical industry, will expand to other sectors of the economy.

Based on these verifiable reasons, the government can be very optimistic over the evolution of our economy, with its usual ups and downs, in a process that has shown deterioration for decades.

We are building a solid foundation for an economic stability that will allow us to launch a basic process of economic growth—which is the priority objective for creating jobs for millions of Argentines and for providing health, education, and dignified housing for all.

We are moving quickly and without any doubt toward a totally free foreign exchange system—both in terms of prices and negotiations—that will be built on reserves that will go straight up over the next 6 months, on public expenditures that we will cut without hesitation, on an economic reactivation driven by national and foreign investment, and on the productive work of all the people.

I would like to assure you that we are not carrying out any monetary sleight of hand. We have experienced a temporary turbulence. However, we and all the economic operators are convinced that the basic course of action is correct, that our medium and long-term measures are the right ones, and that our objectives must be firmly maintained.

We have raised the exchange rate but also withholdings of foreign currency generated by exports in order to reduce their impact on basic foods and to speed up the improvement of tax collection. These measures, which helped us to ensure stability, initially created a temporary inflationary upsurge, but it will come down to a level where it is compatible with international inflation and interest rates.

The heaviest burden of this readjustment will fall on the financial sectors through two measures, but they will not violate the principle of equity at a time when the majority of the population is suffering [words indistinct].

The national Cabinet has unanimously decided to guarantee from now on the faithful fulfillment of any commitments made. The surplus of the treasury revenues and expenditures that would have been used to cover payments that have been postponed will be a real fund that will guarantee the fulfillment of the fiscal conditions for the program we announced today.

We must definitely eradicate the causes of inflation. This struggle is just beginning. We are starting this new stage from a considerably better standpoint than on 8 July. We are trying to overcome many years of inflationary habits and privileges and speculation made to the detriment of the well-being and subsistence of the majority of the Argentine people.

The ethical principles involved in this give us the determination to overcome this turbulent time. The basic measures aimed at making growth possible have been announced and will be strengthened. Never before have we done so much in such a short time to carry out economic reforms, which have been announced so many times in the past but very seldom fulfilled.

This is why this economic policy already belongs to everyone. Thank you very much.

Result at Financial Markets, Banks

PY1212172989 Buenos Aires Domestic Service in Spanish 1500 GMT 12 Dec 89

[Excerpts] Activities resumed today in the financial markets and the banks opened at their new time this morning. The effects of the weekend, plus the banking holiday yesterday, has naturally caused considerable activity this morning at the banks. Long lines of clients waited outside the bank doors. [passage omitted]

The free market dollar rate now stands at 1,180 and 1,190 australes for purchase and sale respectively. [passage omitted]

Bank interest rates for small and medium size investors currently stand between 11 and 12 percent, while 17.5 percent is being paid to large investors. [passage omitted]

According to a last minute report, at 1345 the free market dollar rate had climbed to 1,220 and 1,230 australes for purchase and sale respectively. This means represents 21.78 percent difference between the free market and the official dollar rate.

Deputy Economy Minister on Internal Debt

PY1212192189 Buenos Aires Domestic Service in Spanish 1500 GMT 12 Dec 89

[Text] Deputy Economy Minister Orlando Ferreres has said that there is nothing yet to be announced regarding an alternative exchange rate policy, and that the fiscal balance is the key to everything.

Regarding the rescheduling of the internal debt, Ferreres said that the measures that have been adopted will alleviate short term pressures, especially those on the Central Bank, for at least for 3 or 4 months. During this period payments of some $640 million will become due for payment. This amount could easily be paid in an atmosphere of social tranquility, but not in an atmosphere of uncertainty. This is why these measures were adopted—because they guarantee results from a technical point of view, Ferreres said.

Ferreres said that last July Argentina had no reserves or foreign support and that is why we had to issue money with which to purchase reserves. Issuing this money has affected one of the current financial variables.

Regarding salaries, Ferreres said that, if the agreement reached in the latest collective labor bargains is maintained until next March, it will considerably help to stabilize the economy.

Menem To Assist Herzog With POW's in Syria

TA0712200089 Jerusalem Television Service in Hebrew 1800 GMT 7 Dec 89

[Excerpt] President Hayim Herzog is winding up his official visit to Argentina tonight. This evening he is to be awarded a honorary degree by the Buenos Aires University.

At the conclusion of the talks between Mr Herzog and Argentine President Carlos Menem, it was agreed to promote cooperation in the spheres of science, culture, and tourism between the two countries.

In addition, Menem has promised to help locate Israeli POW's and MIA's held in Syria. [passage omitted]

[Later in the report, President Herzog is asked by Israel Television special correspondent in Buenos Aires Ya'ir Stern whether Menem can assist Israel with locating its POW's and MIA's. President Herzog replies: "I believe he can. His heart is in the right place on this issue. I would not like, however, to enter into the details of this issue at this time."]

Menem Turns Down Former Lt Col Rico's Request

PY1212173089 Buenos Aires DYN in Spanish 1140 GMT 12 Dec 89

[Excerpt] Buenos Aires, 10 Dec (DYN)—President Carlos Menem has turned down former Lieutenant Colonel Aldo Rico's request to revoke his discharge from the Army.

That presidential decision has been confirmed by Raul Granillo Ocampo, the legal and technical affairs secretary of the Presidency. Granillo added that the measure, which is included in a decree that was signed last week, will be released in the next few hours.

"The president," Granillo said, "wanted to quickly resolve this matter by himself to repudiate Rico's recent behavior—which revealed that he is a person who does not respect the essential values of the military spirit, such as obedience, discipline, and subordination." [passage omitted]

Meeting With UK Scheduled for 18 Dec in Paris

PY1212221389 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2151 GMT 12 Dec 89

[Text] Buenos Aires, 12 Dec (NA) — Foreign Ministry sources have indicated that Argentina and Great Britain will resume consular relations next week. Relations were broken off at the outbreak of the Malvinas War in 1982.

Meanwhile, the Foreign Ministry has officially reported that the first meeting of the Argentine-British group on fishing will be held on 18-20 December in Paris.

The communique also indicates that the second meeting of the group that is discussing measures to create confidence and prevent military incidents, which met last week in Montevideo, will be held on 8-9 February 1990 in Madrid.

In the meeting on fishing, Argentina will be represented by Malvinas Director Jose Maria Otegui, legal adviser Horacio Basabe, and by advisers Aldo Dadone and Norberto Bellisio.

The findings of the meeting on fishing will not be discussed in the second round of negotiations on 14-15 February in Madrid, but topics referring to security in the South Atlantic will be discussed.

The resumption of consular relations, which was agreed upon during the first round of negotiations on 17-18 October in Madrid, means that the British flag will once again fly at its embassy in Buenos Aires, and the Argentine flag will once again fly in London.

Embassy Counselors Santos Gonzalez and Charles Hunt will, as of next week when the two countries simultaneously make known their decision, become consuls general in London and this capital, respectively.

Bolivian President Arrives, Holds News Conference

PY1212211789 Buenos Aires DYN in Spanish 1724 GMT 12 Dec 89

[Text] Buenos Aires, 12 Dec (DYN)—Bolivian President Jaime Paz Zamora stated today that the extradition of former Colonel Luis Arce Gomez to the United States "is a political decision" which he personally made. He added that the former military officer will have to stand trial for his involvement in drug trafficking.

Paz Zamora held a brief news conference on arriving at the Aeroparque Metropolitan Airport, where he was welcomed by his Argentine counterpart Carlos Menem. The two presidents will hold meetings during the 48-hour official visit of the Bolivian president to Argentina.

Paz Zamora stated: "More than ever I feel that I am a Latin American." He said on his arrival that he feels that Argentines and Bolivians "are one people with an extraordinary future."

Paz Zamora was honored at the airport by a group of typical Bolivian dancers, who with the sound of their music led the president to try some steps of the traditional Bolivian dance.

Menem also tried to follow the steps with his colleague, but finally decided merely to watch.

The Bolivian president stressed the need to promote "a good relationship between the Argentine and Bolivian peoples that can form the basis for the process of Latin American integration." He also referred to his close relationship with Argentina through his family. He is a

descendant of General Jose Maria Paz, who actively participated in the struggle for unity in the past century.

Regarding the extradition of Arce Gomez to the United States, Paz Zamora said that the Bolivian Government has the right to request the return of the former military officer when it deems necessary because he is being charged by the executive branch over his involvement in drug trafficking.

Paz Zamora added that Arce Gomez, together with General Luis Garcia Meza, in 1980 tried to "structure the government based on drug trafficking and to unify the economic power of drug trafficking with the state's political power" which is "what they are trying to do today in Colombia," he said.

USSR's Aganbegyan Meets Cordoba Governor

PY1212202589 Buenos Aires TELAM in Spanish 1450 GMT 11 Dec 89

[Text] Cordoba, 11 Dec (TELAM)—Abel Aganbegyan, one of the "fathers" of Perestroyka and Mikhail Gorbachev's main economic adviser, said here today that Soviet-Argentine relations "are doing well in general." He added that bilateral economic transactions "are quite active."

Aganbegyan met this morning with Cordoba Governor Eduardo Angeloz with whom he discussed "problems common to our two countries," in addition to "perestroyka and issues related to Soviet-Argentine relations."

Aganbegyan, who is of Armenian origin, is in Cordoba at the invitation of the Mediterranean Foundation. After meeting Angeloz and Economy Minister Jorge Caminotti, he visited the Renault car factory. This afternoon he is scheduled to attend a Mediterranean Foundation meeting.

Aganbegyan said that the USSR has virtually "completed its political reform. Very soon now we will hold municipal elections. This will represent a new electoral option. We are also working on a legal reform in the Supreme Soviet by issuing a series of fundamental rights laws."

Aganbegyan added that "a series of laws are being drafted to improve the standard of living and the socioeconomic level of the population. We are on the eve of a congress of electoral deputies [consejo de diputados electorales] which is scheduled to start on 12 December."

Abel Aganbegyan is chairman of the committee on economic reforms of the Supreme Soviet. He is also rector of the Soviet National Academy. Aganbegyan is in Cordoba with Albert Burlak, the director of NOVOSTI in Buenos Aires; Soviet Embassy Cultural Attache Vladimir Kolomin; and economist Roberto Sala.

Brazil

Presidential Candidates' Basic Programs

PY1212225589 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Dec 89 pp 10, 11

[By Robert Appy]

[Excerpts] The two presidential candidates have presented their government programs. [passage omitted]

The PRN [National Reconstruction Party] basic program is published in a 130-page document entitled "Guidelines of Action for the Fernando Color de Mello Government." In the case of the PT [Workers' Party], the program is contained in a 151-page document released on 5 May 1989. [passage omitted]

It would be difficult to present the entire programs of the two presidential candidates in a limited newspaper space, but their main points can be compared.

There is an underlying philosophy in the government plans of each candidate. We want to highlight their main objectives and their instruments of economic policy

PRN: The objective of the PRN candidate is to make Brazil a competitive participant in the world economy, and to institute a modern and efficient state in the country. "There is little to distribute," he recognizes, and so he opts for a development model to create wealth that will be evenly distributed. His objective is to expand social benefits by streamlining the state, by moralizing public life, and by fighting inflation in a way that will not worsen the situation of the poor. To attain those objectives he will renegotiate the foreign debt, expand the GDP [gross domestic product], stimulate investments, and modernize technology. Losses are to be determined by arbitration and priorities should be administered.

PT: Their new economic model rests on the deconcentration of income and the resumption of growth. Income redistribution is the main objective and it should be attained amid tension and conflicts. The industrial policy will be oriented to produce mass consumption goods. Reduction of regional inequalities is another aspect of the income redistribution policy. The resumption of growth, which for the PRN depends essentially on modernizing the state and on technological progress, should result for the PT candidate from the state's capacity to plan, finance, and invest.

For both candidates, the solution to the foreign debt problem is essential for a new phase of economic growth. The common view of the two candidates is limited to this basic assessment, yet in fact, their proposals on the foreign debt are quite different.

PRN: Even recognizing that the foreign debt is not the only cause of the public deficit, the PRN candidate proposes an important modification in its negotiation. He understands that the renegotiation should be a unilateral initiative in which the decision to decentralize the

negotiation will be made after government guarantees are withdrawn from all contracts. The case-by-case renegotiation will allow contracts for unviable projects to be reviewed according to the borrowers' ability to pay. The relending and debt-investment conversion operations will not be eliminated.

PT: The PT position is more drastic: Foreign debt payments will be suspended. A commission will audit contracts to determine their legitimacy. In the case of legitimate contracts, the Central Bank will be authorized to purchase the overdue debt-notes at a percentage of their face value that will be negotiated case by case, or to review contracts on the basis of their value in the secondary market, eliminating fluctuating interest rates and spread. The creditor banks' advisory committee will not participate in discussions; it can be substituted for negotiations with banks, governments, or the central banks of creditor countries. The agreement with the IMF will be suspended. Relending and informal or formal debt-investment conversion will not be accepted.

The country has a budget and a Constitution. The two candidates are aware that there is not much room for maneuvering to modify fiscal policy, at least in the first year in office. In this regard, both have similar proposals for increasing revenues, and neither has said much about reducing expenditures. What differentiates them are their proposals to secure more resources to finance development.

PRN: The PRN recognizes that its proposal in the fiscal area is limited. However, it considers it possible to increase revenues without increasing the tax burden; this can be done by fighting tax evasion and reviewing subsidies. It understands that a simplification of the tax code will make it possible to make it more effective and less regressive. The platform's distinguishing feature is its proposal to reform state holdings by making better use of them, selling the useless parts and making better use of the remainder. This reform includes the privatization or reprivatization of state-owned companies to raise resources, while not denying the important role played by some of those companies.

PT: The PT has the same proposals aimed at raising revenues: Fight tax evasion, which could possibly increase revenues by 50 percent, and reduce subsidies. However, the PT also proposes large increases in subsidies for the basic food basket, transportation, etc. It proposes a more thorough tax reform than the PRN, with heavier taxes on unearned income and landholdings. The PT proposes to replace a tax on large fortunes by taxing assets, inheritances, and donations. Its major source of revenue will be a Public Fund for Investments and Social Policies, which is to consist of the difference between the interest on the foreign debt that is due and the amount that is actually paid.

The two candidates oppose a moratorium on the internal debt. They are aware of the need to obtain resources to finance the deficit (which the PT candidate finds normal) and development. However, there are great differences in their proposals.

PRN: The treatment of the internal debt requires a credibility shock and a cleaning up of public finances to reduce the burden on the National Treasury and to encourage cooperation by public bond holders. This is why the PRN candidate has ruled out any kind of moratorium or renegotiation of the internal debt. He recognizes that a great part of the internal debt represents the working capital of companies and people who must somehow protect themselves from inflation. The rescheduling of part of the internal debt is possible and desirable, but without compulsory measures.

PT: The PT is against a moratorium but not against renegotiating the internal debt within voluntary terms, even if these terms are somehow encouraged by the government. In the popular version of its economic plan, the PT speaks of "rescheduling the internal debt through measures such as the compulsory acceptance of long-term papers by commercial banks and credit institutions." The PT's official plan speaks of a compulsory loan against the large fortunes made in the past few years by the financial institutions. Such a loan could be made against notes redeemable in 5 or 10 years that will only be adjusted through monetary corrections.

The two candidates condemn the role of the financial system, which, as the PRN candidate acknowledges, is just a government broker. The PT simply considers the financial system to be a parasite.

PRN: The PRN dedicates several pages to the financial system, especially to review the role of the public credit organizations, such as the Central Bank, the Bank of Brazil, the BNDES [National Economic and Social Development Bank], and the Federal Savings Bank [CEF]. The PRN acknowledges that by straightening out public finances the private financial institutions will be able to return to their true function: to supply funds for the development of the private sector. The PRN wants to restrict the Central Bank's role to the monetary control (without mentioning whether it favors or not the Central Bank's independence to issue money). The PRN wants the Bank of Brazil to be the government's main tool for all credit policies. The PRN wants the BNDES to finance the credit infrastructure. The PRN wants the CEF to become a true housing bank.

PT: The PT program proposes increasing the control on the financial system by "resorting to different ways of participation, even including government ownership." The financial system must be at the service of the priority objectives of the economic and social policy. According to the PT program, it is necessary to put an end to the superprofits of the banks in their public debt intermediary role and in government favors. Bank decentralization must be encouraged. The Central Bank must recover its supervisory and disciplinary role, seeking to establish clear rules for the market. All

existing incentives for the banks (telecommunications costs, gains on tax collections, etc.) must be removed.

The two candidates condemn any industrial policy developed from a tutelage system [sistema cartorial] and that runs under excessive protectionism. The two candidates, however, present fairly different solutions to the country's industrial development.

PRN: The PRN is mainly concerned about the modernization of the country's industrial equipment through national technological development and international cooperation. The PRN insists that there is the need for increased openings, a thorough revision of the customhouse tariffs, a gradual removal of the non-tariff barriers (similarity and market protection), and a reduction in the number of industrial policy making organizations and better coordination among them. An increase in imports (of goods and technology) should increase the efficiency of the national industry.

PT: The industrial policy should mainly be concerned with meeting the domestic demand for massive consumption goods arising from a policy of income redistribution. A different treatment must be established for the enterprises directly or indirectly employing a larger number of people, with the assistance of the state, to increase their productivity; enterprises that produce basic goods that are consumed by the wage earners, that become self sufficient from abroad; and enterprises capable of increasing their productivity. The PT wants to put an end to the "privileges" of the multinational enterprises and to strive for technological autonomy. Imports will be specifically aimed at those enterprises that constitute oligopolies.

The two candidates acknowledge the importance of the agriculture sector as well as the absence of a policy on that subject. As for suggestions on this policy, the two candidates have much in common. However, the subject of agrarian reform marks a clear difference between the two.

PRN: The PRN insists on the need to improve the use of exploitable land and regrets the double standard in agriculture. To overcome this problem, the PRN endorses a liberation of prices for exportable agriculture products, an improvement of the minimum price policy, the creation of a credit policy with low real interest rates, progress in biotechnology, freedom to sell animal products and by-products, greater government efforts in international negotiations to end protectionism, and promotion of the cooperative system. The PRN favors land restructuring with a gradual increase of the Rural Territorial Tax.

PT: The PT calls for attention to the small producers and to internal market supply. Public subsidies must be concentrated on the production of basic foods and the improvement of the living standard of small farmers. The PT will seek self-sufficiency in seeds and freedom from the monopoly on seed and equipment distribution. The PT will seek to develop technology for the small producer. The PT does not mention the production of exportable goods. As for agrarian reform, the PT will respect the Constitution but request a revision to allow the confiscation of large agriculture companies, even if they are productive. The PT believes that the Rural Territorial Tax should be increased.

The two candidates defend what could be called a liberal policy in foreign trade. In fact, the two know that Brazil must increase its imports and that to do this it must first export more. However, they view the function of foreign trade differently.

PRN: The PRN regrets Brazilian limitations within the international market, limitations that are not in keeping with Brazilian industrial production. The PRN considers exportation to be very important in improving the population's standard of living. However, Brazilian export is not based on the sale of Brazil's natural wealth and cheap labor. The PRN plan suggests an expansion of trade with the Southern Cone without abandoning other markets. As for foreign capital, the plan does not contain any special provisions, but in several parts the PRN expresses its approval for the presence of foreign capital in the country without restrictions.

PT: Foreign trade plays a role in national development, especially in revenue policy. Brazil must export mainly to be able to import and to avoid the oligopolies. Brazil must reduce its dependency on the U.S. market, which should be replaced in part by exports to New Zealand, Australia, and African and South American countries. As for foreign capital, it must be subordinated to Brazilian economic policy priorities. Foreign capital that allows a transfer of technology will be given priority treatment. The distinctions between companies with foreign and national capital will be maintained. Foreign capital will be especially controlled among oligopolies.

The two candidates admit that the state is over dimensioned. Even though neither candidate is proposing total privatization, they hold different views on the role of privatization in the economy.

PRN: The PRN believes that privatization is essential to attract new investments. This party proposes three lines of action: to return to private hands the companies which were placed under federal control; to transfer to the private sector the state-run companies and so meet the needs, priorities, and objectives of economic growth, although this does not mean that everything will be privatized; and to privatize new investments, allowing the private sector to participate in the power, transportation, and communication sectors. There should be different privatization mechanisms: the sale of all or part of the capital, the sale of shares to the company employees, and other methods to let the private sector render public services.

PT: Regarding state-run companies, the PT says "we need them." The party believes that the financial situation of state-run companies will be transformed after a tax policy revision. The PT admits that the state should

get rid of those companies that do not render essential public services, of those that do not exploit underground resources, and of those that do not operate in strategic sectors. The party supports privatization.

The PT, however, demands a halt to the policy of indiscriminate privatization, suggests the creation of a holding [preceding word in English] organization to recuperate the financial health of public companies, and the democratization of the management of those enterprises, guaranteeing the participation of workers and consumers.

The two candidates note the reduction of the value of salaries, admitting that the minimum salary must be increased. The PT, however, believes that the income policy should go even further: It should include a price policy and, like the PRN, it maintains that the social policy is very important.

PRN: The salary policy is essential for improving the people's living standards and for fostering economic growth. Free labor union activities are central to any salary policy. Workers should struggle for decent salaries. This, however, does not invalidate the need for a salary policy, because "the so-called market laws are unable to increase salaries independently from the fluctuations and the heterogeneous composition of the labor market." The minimum salary should triple in real terms during the government administration from $100 in October 1989 to $369 in 1994. The PRN does not disregard price controls but never as an isolated measure of the economic policy.

PT: The PT favors a freely negotiated salary policy and also favors a gradual and permanent minimum salary increase. The salary should double in the first year of the government in order to reach the value estimated by DIEESE [Interunion Department of Statistics and Socioeconomic Studies]. However, in its salary policy the PT is paying greater attention to price control. Basic products should be under the control of the people and should also have some kind of government subsidy. There will be total control over the oligopolist sectors. There are also plans to increase family allowances, unemployment benefits, and measures to prevent workers turnover. Price freezes and regulations can be implemented any time.

Gallup Poll Indicates Collor Still Leading

PY1212174089 Rio de Janeiro O GLOBO in Portuguese 10 Dec 89 p 14

[Excerpts] A nationwide Gallup poll regarding the second round of elections indicates that Fernando Collor de Mello (PRN) [National Reconstruction Party] is still leading with 48.2 percent, while Luis Inacio Lula da Silva, his adversary from the Popular Brazilian Front [Frente Brazil Popular], has 42 percent. The poll was conducted from 5 December to 8 December. A week ago, in a poll conducted from 28 November to 1 December, Collor received 50.1 percent and Lula 38.2 percent. [passage omitted]

The Gallup organization has confirmed that Lula's free electoral propaganda over radio and television is more appealing (35 percent) than that of Collor (32 percent). Therefore, Lula's progress is related to the free electoral propaganda time: The audience watching his program and intending to vote for him has increased from 37.2 percent to 43.2 percent.

Central Bank Capital Market Director Resigns

PY1212214589 Brasilia Domestic Service in Portuguese 2100 GMT 11 Dec 89

The Central Bank capital market director has tendered a letter of resignation to Central Bank president Vadir Kubuke. In his letter he denies that he participated in a fraud in the stock exchange.

Central Bank Capital Market Director Taille Roxa today handed Vadir Kubuke a letter in which he resigns from the post that he has held since 1987, and denied that he had participated in fraudulent operations in the Sao Paulo stock exchange. In another letter addressed to President Jose Sarney, he affirms that the line of credit that motivated the accusations against him has been used by all the stock exchange brokerage firms from Rio de Janeiro and Sao Paulo since 1983. Taille Roxa expressed surprise that he is the only one being accused of fraud in the Sao Paulo stock exchange.

[Begin Roxa recording] There is a secrecy law. Thousands of investors, during all that time, participated in the same operations. Yet, even before some people included in a short list had been questioned, this information was leaked to the public. I ask myself why, among thousands of people, was this director of the Central Bank chosen to have his name besmirched in newspapers, knowing well that there are no formal proceedings initiated against him [end recording]

Teille Roxa also said that he preferred to tender his resignation and to await the full investigation of the case. He says that he understands that in this way he will remove any suspicion that he might be influencing the investigations.

First Domestic Corvette Launched

PY1312005889 Brasilia Domestic Service in Portuguese 2100 GMT 12 Dec 89

[Text] The "Inhauma," the first corvette manufactured in Brazil, was launched today by the Navy. It was named after Joaquin Jose Inacio, viscount of Inhauma, a Navy officer who became famous in the war against Paraguay. The launch ceremony took place at the Admiral Regis dock in Rio de Janeiro and was attended by Dona Marly Sarney and Navy Minister Henrique Saboia.

After signing the documents, Navy Captain Murilo de Moraes Rego Barbosa, the vessel's commander, was installed in his post and a crew of 70 sailors embarked. The corvette was then assigned to patrolling Brazilian coastal waters. The "Inhauma" is a second-class ship with 90 percent of its components made in Brazil; it is equipped with four French-manufactured Exocet missiles and six antisubmarine torpedoes.

Two more corvettes are under construction at the Verolme Shipyard in Jacaecanga, Rio de Janeiro, and will be incorporated into the Navy along with ten other imported corvettes.

Chile

Terrorists Attack TV Station, Air Communique

PY1212011389 Santiago Radio Cooperativa Network in Spanish 2200 GMT 11 Dec 89

[Text] Catholic University TV Channel 13 transmissions were interrupted for about 5 minutes while Manuel Rodriguez Patriotic Front [FPMR] terrorists aired a communique.

They played the national anthem and then a woman, who claimed to belong to the FPMR, called upon everyone to celebrate the victory of Patricio Aylwin in the 14 December elections. She also called for the release of all political prisoners to mark the return to democracy.

The communique, which was repeated several times, was aired just as a report on the recent activities of Andres Zaldivar [the president of the Christian Democratic Party] was being broadcast.

The FPMR has interrupted Channel 13 transmissions several times this year, especially during newscasts, to broadcast their communiques.

FPMR: No 'Armed Actions' Before Elections

PY1312025589 Santiago ANALISIS in Spanish 4-10 Dec p 12

[Interview with Manuel Rodriguez Patriotic Front spokesman Jorge Salas by "M.S."; date and place not given]

[Text] [M.S.] What are the plans of the FPMR [Manuel Rodriguez Patriotic Front] for this period?

[Salas] We cannot be on the sidelines of the process the country is going through, which involves millions of Chileans. We will support the results of the popular struggle whatever they may be, particularly the results of this great electoral process.

[M.S.] Does that mean that the FPMR will no longer carry out violent actions?

[Salas] We can assure you that the FPMR will not engage in any armed actions that might destabilize the process of ending the Pinochet dictatorship. We will not do anything that might serve as a pretext for the defeated Pinochetists to abort this electoral process by canceling the elections or launching a new military coup. On the contrary, we intend to do as much as we can to help the Chileans' struggle to recover democracy and to defend the popular victory and the achievements of that victory.

[M.S.] But you have executed some actions during this period. Which ones?

[Salas] That's true. The FPMR Student Front burned the files of the Fiscal Credit debtors in repudiation of the dictatorial policies and in support of the students' struggle. Also, the Jose Miguel Carrera Command recently destroyed the computers that carried the names of people who fell behind in servicing the SERVIU [expansion unknown] debts in a demonstration of support for shantytown dwellers. These are the only actions we have carried out; in our view they are not destabilizing but supportive of the people's struggle.

[M.S.] The FPMR has denounced a Pinochetist destabilizing plan for this period....

[Salas] According to our intelligence service, that campaign of provocations includes attempts on the lives of popular and leftist leaders, like the one that resulted in the death of the popular fighter Jecar Neghme; blackouts, like the one we had recently; and the intimidation of journalists, as in the cases of reporter Monica Gonzalez, the burning of Juan Pablo Cardenas' home, and the bombing of Radio Mineria.

[M.S.] There is a truce, so...

[Salas] Without using the word truce, we can tell Chileans that they can rest assured that the FPMR will not carry out any action that can serve as a pretext for tyranny. We will not be provoked.

[M.S.] Where would the provocations come from?

[Salas] They will come from the same sectors that carried out provocations on 5 October [day of 1988 plebiscite on whether Pinochet should remain in power for another term], which included blackouts to intimidate the population.

[M.S.] What will you be doing on 14 December?

[Salas] We will be with the people, celebrating the victory and staying alert to neutralize the dictatorship's rightist paramilitary bands.

[M.S.] When will the FPMR feel that it has accomplished its mission?

[Salas] The FPMR was born with a very clear objective: to contribute to putting an end to the dictatorship and its apparatus. As this regime is phased out, the CNI dissolved, political prisoners set free, a new Constitution

written, the Armed Forces and the judicial branch democratized, and the people can express themselves sovereignly and freely, the FPMR will consider its objective accomplished.

[M.S.] What will your position be on the next government? Will you recognize its legitimacy?

[Salas] The FPMR will never use its arms against a government legitimately elected by the people of Chile. We will respect popular sovereignty. Patricio Aylwin will be the president elected by the people.

[M.S.] How you think the Autonomous Front or the United Popular Action Movement-Lautaro [MAPU-Lautaro] will behave these days?

[Salas] We maintain no relations with the combatants who left the FPMR nor with the MAPU-Lautaro. We cannot answer for them; we don't know what they are doing or what they intend to do.

[M.S] Do you support the latest action of the "Lautaros"?

[Salas] If it is true that they carried out the actions attributed to them—and they have claimed responsibility for some—the FPMR does not support them in the least. Chileans who serve in the Carabineros or the Armed Forces are not enemies of the people just because they wear uniforms. The enemies are only those who have committed crimes against human rights or the economy, the torturers, and the assassins. We do not support the killing of Carabineros without provocation.

Police Give Different Estimate on Aylwin's Rally

PY1112212389 Santiago Radio Chilena Network in Spanish 1600 GMT 11 Dec 89

[Text] Fernando Paredes, general director of the Investigative Police, said today that 158,600 people attended yesterday's rally in the O'Higgins Park to close the campaign of presidential candidate Patricio Aylwin.

Paredes added that this figure was obtained after evaluating and comparing the size of the crowd with other rallies held in the same park.

[Begin Paredes recording] According to the estimates made after measuring the park, checking aerial photographs, and comparing the crowd size with past rallies such as the 1985 rally, the Pope's visit in 1987, the No-vote rally in 1988, and making a detailed evaluation of the park, we came to the conclusion that 158,600 people attended the rally. [end recording]

Paredes said that he would not discuss the figures with those who said that his estimates sought to belittle the number of people who attended the opposition rally. He said that this afternoon he will deliver the results of his organization's poll on the presidential candidates to political officials. He added that the results will not be released to the people.

Aylwin Promises To Expedite Release of Detainees

PY1212155289 Santiago Domestic Service in Spanish 0930 GMT 12 Dec 89

[Text] Opposition presidential candidate Patricio Aylwin has promised that if he takes power in March he will try to expedite the proceedings so that those under arrest and those charged with terrorist crimes can be released as soon as possible.

Aylwin has promised to guarantee a quick and just trial for those charged with murder. This was one of the major topics of the news conference that Aylwin granted to local and foreign journalists at the end of his electoral campaign.

In reply to several questions on the issue, Aylwin said that if he wins the election he expects to find what he called a satisfactory solution with President Pinochet regarding his tenure as commander in chief of the Armed Forces.

The opposition candidate, who reiterated what has been referred to as his good intention, said that he hopes that the Manuel Rodriguez Patriotic Front—which is the armed branch of the Communist Party—will be dissolved.

Opposition Campaign Manager on Aylwin Lead

PY1212204889 Santiago Radio Chilena Network in Spanish 1600 GMT 12 Dec 89

[Text] Opposition campaign manager Gonzalo Marner has affirmed that there is no doubt that Patricio Aylwin will win the presidential election. He said this as he cited a summary of the main opinion polls released throughout the electoral campaign by well-known and reputable polling organizations. Marner cited nationwide and regional polls that have been conducted by (Chart), (SII), (Genedes), (Black Shaw), Gallup, and (SIC):

[Begin Marner recording] Our attention is drawn to the fact that support for Patricio Aylwin is running more than 20 percentage points ahead of that for Hernan Buchi. Our attention is also drawn to another fact: Support for Francisco Javier Errazuriz, with some exceptions, does not exceed 15 percent; it is currently hovering around 12 percent. [end recording]

Marner pointed out that the polls must not be considered separately but as a whole. He concluded that Patricio Aylwin is first by far in voters' preferences.

European Parliament Delegation Meets Aylwin

PY1312001589 Santiago Radio Cooperativa Network in Spanish 2200 GMT 12 Dec 89

[Text] If Patricio Aylwin is elected president, Chile will have a great president, according to Manuel Medina, the

leader of the delegation of members of the European Parliament who met with opposition leader Patricio Aylwin this afternoon.

[Begin Medina recording] Mr Aylwin's considerable political experience and prudence have impressed us, and I believe that if he is elected Chile will have a great president. [end recording]

European Parliament members of various nationalities met Aylwin this afternoon at the offices of the presidential candidate. After the meeting, Medina talked about Chile's democratic future.

[Begin Medina recording] The European Parliament is interest only in seeing that Chile democratically elect its new government. I believe that this will happen on 14 December. [end recording]

Medina recalled that the Council of Europe, made up of representatives from the 12 member countries, recently approved a bill for economic and social cooperation with the future Chilean democratic administration. This program will focus on technology transfer, an essential element for any underdeveloped country that wants to move forward.

Asked for his opinion of Aylwin, whom he has met several times before, including once at the headquarters of the European Parliament in Brussels when Aylwin was touring Europe, the Spaniard Manuel Medina answered:

[Begin Medina recording] He has a great deal of political experience and political caution, which leads me to believe that if elected he will be a great president for Chile. [end recording]

After the meeting, the members of the European Parliament were photographed with the leader of Chilean opposition.

Candidate Buchi Ends Electoral Campaign

PY1212174389 Santiago Domestic Service in Spanish 0930 GMT 12 Dec 89

[Text] Thousands of people yesterday attended the final rally in support of presidential independent candidate Hernan Buchi in downtown Santiago. Buchi delivered a vibrant speech in which he urged the people to build a progressive Chile under an open-minded government.

Buchi said that Patricio Aylwin has never admitted that three of the parties in his alliance have described the terrorist acts of the Manuel Rodriguez Patriotic Front as morally justifiable.

[Begin Buchi recording, in progress] ....that he has thanked them for their political support and that he is helping his candidates for Congress to be elected. Almost two months ago, I called upon Patricio Aylwin to reject the support of those who advocate violence. I reiterated my call yesterday. Aylwin does not accept it because he has commitments to meet with those sectors. [end recording]

Buchi reiterated that Aylwin would clearly demonstrate his political position if he were to release the names and political leanings of the ministers and high-ranking officials whom he will appoint if he is elected president. Buchi added that Chileans do not know who they are voting for; does voting for Patricio Aylwin mean voting for a christian democratic, a socialist, or a marxist government?

Buchi said that Aylwin does not want to reveal the names of the members of his famous cabinet because only like this will the people vote without knowing the whole truth. He charged that his opponents have obsolete ideas and that they are confused.

[Begin Buchi recording] The 17 parties have not even reached an agreement on which obsolete idea to implement. This is why they do not offer a project for the future. They do not have concrete plans for resolving the pending problems or for making a big step toward the modernization of the country. [end recording]

Buchi held this final raly in the Plaza Italia with the stage located on Vicuna Mackenna and Diagonal Paraguay Streets.

The organizers reported that approximately 400,000 people attended the closing rally of the Democracy and Progress Pact presidential candidate.

Buchi was confident of success in the presidential elections that are to take place on Thursday. He called on Chileans to cooperate in the building of a new Chile.

Incidents at Buchi Campaign Closing Reported

PY1212195389 Santiago Television Nacional de Chile Network in Spanish 1700GMT 12 Dec 89

[Text] Thirty-six people were injured in incidents provoked by counterdemonstrators at the closing rally of Hernan Buchi's electoral campaign. This report was made in a Carabineros communique that was released this morning. The communique says that the provocateurs met at several sites in Santiago and then attacked civilians, men in uniform, and vehicles with stones and sticks. It adds that nine Carabineros were injured by hordes that attacked them in the area bounded by Departmental, Vicuna Mackenna, Grecia, and Alameda Streets.

The communique further reports that 50 people, among them 12 minors, were arrested; 2 adults were turned over to the 2d Military Court of Santiago, charged with attacking Carabineros.

Socialist Parties Expected To Merge 'This Year'

PY1212191289 Madrid EFE in Spanish 1521 GMT 11 Dec 89

[Text] Santiago, 11 Dec (EFE)—A socialist leader told EFE today that the socialist parties headed by former Foreign Minister Clodomiro Almeyda and Jorge Arrate are going to merge before the end of this year.

Marcelo Schiling, central committee member of the PS-Arrate [Socialist Party-Arrate Faction], said that "a merger is irreversible, and there is the intention to complete it formally after the 14 December elections and before the new year."

He added that unification will involve the merger of the central committees of the two parties and the appointment of a new leadership. This new leadership will be accompanied by a "great socialist youth, which will also be made up of members of the United Action Popular Movement (MAPU)."

EL MERCURIO reported today that the merger will take place on 22 December, that the new party will be headed by Almeyda, and that Jorge Arrate will be the secretary general. Citing "socialist sources close to the negotiations," EL MERCURIO reported that in terms of doctrine the new socialist party will be defined as a "democratic, popular, and Latin Americanist party that combines various cultural and doctrinary ideologies, including Marxism."

EL MERCURIO adds that the "document disregards Leninist concepts" and that Marxism is included "by understanding it as a method of interpreting reality, open to changes in accordance with social conditions."

However, a well-placed socialist source told EFE today that "although the formula for a president and a secretary general is being studied, no agreement has yet been reached, and I would say that it has less than a 50-percent chance of being approved."

He added that an "essential" element under discussion is the "PS-Arrate's unrenounceable position that, to give stability to the future democracy, there must be a joint effort between the government and the Christian Democratic Party." The source also said that this situation implies the end of the traditional "socialist-communist alliance in effect since 1973 with the Salvador Allende administration."

The Socialist Party headed by Almeyda is a member of the Broad Party of the Socialist Left (PAIS), which is allied with the illegal Communist Party and four other traditional Marxist organizations.

The PS-Arrate, which is also referred to as "renewed" because of its non-Marxist position, is a member of the Party for Democracy (PPD) headed by Ricardo Lagos, and it has also established a close alliance with the Christian Democratic Party.

The Chilean Socialist Party was divided into two sectors, one headed by Almeyda and the other headed by Secretary General Carlos Altamirano, at a congress held in Berlin in 1979.

* PCCH Head on Role of Violence, FPMR

90ET0042A Santiago QUE PASA in Spanish 2 Nov 89 pp 36-38

[Interview with Communist Party General Secretary Volodia Teitelboim by Mariana Grunefeld: "There Is No Loyalty in Politics"; date and place not given]

[Text] "My life is a cross between duty and risk," commented the general secretary of the PC [Communist Party], arriving at the QUE PASA offices escorted by four men. Totally devoted to politics, he sometimes prefers to "go into seclusion," he says in a style physically reminiscent of Neruda and a voice that reminds one of Julio Lopez Blanco. He does not go to the movies or very public places. His life has been one of activism: 57 years in the PC. What criticism would he level against his party? "To have sinned in good faith," and, in that sense, he is sorry the Chilean PC supported Stalin and backed the invasions of Hungary, Czechoslovakia, and Afghanistan. "We accepted many of those ideas in the name of revolution, human happiness, the liberation of peoples, and social justice. But that was not always the real story, as we later found out."

[QUE PASA] The PC was so dependent on Moscow that it initially said, "We recognize no other homeland than the USSR."

[Teitelboim] No, our homeland has always been Chile. Someone made that up.

[QUE PASA] But you find it in any good history textbook, for example, the "Regimen de Gobierno y partidos politicos en Chile" [System of Government and Political Parties in Chile] by B. Bravo L.

[Teitelboim] All that means is that it is no more than a falsification. We could never have uttered such an aberration. The PC is absolutely independent of Moscow.

[QUE PASA] Why did the highest officials go to Moscow when they left Chile?

[Teitelboim] It was not because of ideological dependency. As a Chilean whose only vital concern is Chile and as a senator elected by the second highest national majority who was ordered to be killed by the regime, I could not remain silent. If they had asked me to go to Washington to speak on an American radio station to Chile or any other place in the world, I would have accepted. The only possibility of doing so was in the USSR on a program entitled "Hear Chile."

(He recognizes nothing positive about the regime except for a few "incidental" items such as "the policy of exporting new products." He believes a fundamental lesson has been learned in recent years: "It is not possible

or right that political rifts between persons with different visions of democracy and freedom should lead us to an internal struggle that will once again result in the use of arms, civil war, and dictatorship.")

[QUE PASA] That was the cause of the military uprising?

[Teitelboim] One of the causes and a fundamental one at that.

(Rather than the CIA or the military, surprisingly enough. He thinks the use of violence in politics is a "great misfortune" brought about by the military coup: "If that bloodbath had not occurred, if we had not had the macabre policy of the 'missing,' persons slaughtered, burned, and tortured, no one would ever have thought about a violent response.")

[QUE PASA] Others think that violence in Chile came at the end of the '60's with the MIR [Movement of the Revolutionary Left], a product of the leftist ideology that tried to seize power.

[Teitelboim] In Chile, political violence goes back much further. The military at one time arrested Portales and shot him, and the military now has Diego Portales at the Gabriela Mistral Building.

[QUE PASA] So it was not the military regime that instituted violence in Chile.

[Teitelboim] The military regime escalated violence in geometrical proportions and elevated it to the status of international horror, thus incurring the wrath of UN condemnations. (He expounds on this subject at length, justifying the use of violence in the case of the founding fathers of the United States in 1776 and the fathers of the Church and concluding with, "And out of this came an independent Chile.") In 1980, the party proposed the right to revolt and the people's mass rebellion.

[QUE PASA] Which includes violence.

[Teitelboim] Especially in the area of self-defense. If we had been able to defend our comrades Parada, Nattino, and Guerrero, we would have been acting properly in the name of life. The right to legitimate self-defense is recognized in all penal codes in the world. Here death reigned with impunity and victims had no defense.

[QUE PASA] In other words, take justice into your own hands.

[Teitelboim] No. I am talking about legitimate self-defense.

[QUE PASA] Then in the final analysis, do you justify the action of the FMR [Manuel Rodriguez Front]?

[Teitelboim] I see the explanation and I understand it, but that does not mean justifying it, because I believe in political solutions.

[QUE PASA] So you understand the assassination of Carol Urzua, for example.

[Teitelboim] No. I do not understand any assassination.

[QUE PASA] Of Carabineros....

[Teitelboim] No. Death must be eliminated from this country and replaced by a culture of life. The culture of death was introduced by tyranny and the reaction is human and comprehensible, but in my opinion, the solution must be political.

[QUE PASA] So you do not share the opinion of Almeyda, who justified the FMR morally and politically?

[Teitelboim] From the moral standpoint, that is true. One can understand those who take action against an uncontrolled state terrorism, but it is not desirable. And it all has a common root: dictatorship.

[QUE PASA] Are those who went after Pinochet heroes or terrorists?

[Teitelboim] History will judge. I have just read an Italian expert on criminal law who says that the term "hero" may in the future be used in reference to one initially deemed to be a terrorist. It had already been used by a Chilean prelate. (Teitelboim would free them all, including those who brought weapons into Chile.)

[QUE PASA] Why has the PC always denied its connection with the FMR?

[Teitelboim] It has not denied it. The Front is an identity that makes its own decisions. The PC does not control the Front and give it orders. We have denied nothing.

[QUE PASA] Do you deny a connection between the PC and the FMR?

[Teitelboim] There may be a connection in the sense that some communists belong to it.

[QUE PASA] Many belong to both.

[Teitelboim] That is true.

[QUE PASA] Corvalan said that the PC continues to sustain all forms of struggle. Do you agree?

[Teitelboim] Not at this time, but if Pinochet makes good on his threat, repeating every day in different ways that if they go after one man—Manuel Contreras, for example, or if the United States should request his extradition—then the state of law no longer exists and we cannot control people who do not want to live under tyranny forever.

[QUE PASA] And according to the law, is having armed detachments to prevent what might happen necessary for the PC?

[Teitelboim] No. We are not thinking about such a thing because there is a striking inequality of means. On the

one hand, you have an army armed to the teeth, the largest in America, very professional, and so on, pitted against defenseless people. It would be slaughter, suicide.

[QUE PASA] The JJCC [Communist Youth] say they "will maintain their paramilitary structure," even if Aylwin wins. And they add: "It is necessary to participate in the Rodriguez militias and be constant agitators following the policy of popular revolt."

[Teitelboim] But the Rodriguez militias are not military organizations, strictly speaking. They are more a form of self-defense.

[QUE PASA] Consisting of what?

[Teitelboim] Self-defense for the people, handling demonstrations, protecting leaders.

[QUE PASA] Does self-defense include weapons?

[Teitelboim] No weapons. Rather, it is a mass movement with many young people involved.

[QUE PASA] If Aylwin wins, is the FMR justified?

[Teitelboim] The Front will have to see. If Aylwin wins, Pinochet is out as commander in chief and the army must then obey a civilian government if the fascist nuclei are eliminated....

[QUE PASA] What do you mean by "fascist nuclei"?

[Teitelboim] Well, those who want to maintain fascism, the military dictatorship.

[QUE PASA] So if Pinochet stays on as commander in chief, do you justify the existence of the FMR?

[Teitelboim] As long as Pinochet continues as commander in chief, democracy in Chile will be in danger. We will have to set up a double government, civilian and military. Chileans must remain alert. I would like to see democracy consolidated, with no military tutelage, no commanders in chief over the civilian government, and have the National Security Council under the president. But if these new circumstances are not created....

[QUE PASA] If a candidate such as Buchi whom the left considers to be a "continuist" wins, would the existence of the FMR be justified?

[Teitelboim] That depends on its continuism. If he is a Pinochetist and the dictatorship continues under a different name, then the essence of the regime does not change. If freedom returns, our behavior will also have to be revised.

[QUE PASA] Is Pinochet's departure as commander in chief essential to the PC?

[Teitelboim] Yes. As is democracy, the release of political prisoners, defense of human rights, repeal of the amnesty law.

[QUE PASA] If Aylwin should shift on one of these points, would there be opposition?

[Teitelboim] We would publish our dissent. It would not necessarily mean opposition.

[QUE PASA] Does that mean you will always remain faithful to Aylwin?

[Teitelboim] There is no loyalty in politics such as that contained in the civil code on marriage. We definitely support Aylwin, but we have no pact with him. We set no conditions for him and that remains true. We want the program to be carried out and we want democratization of the country soon. We shall support Aylwin, but no one can predict what turns history will take. For us to stand idly by accepting anything that happens, allowing him to do whatever he wants, for anything to happen in this country without our doing anything, no. But we will be particularly careful not to wage war to the death or engage in "outrageous" opposition.

[QUE PASA] You have shown that your views are different from those held by Corvalan. Who has real influence on the PC?

[Teitelboim] Everyone is different. I have my own individual identity and style within the framework of a common political philosophy. We assume that the general secretary of the PC is the party's leading authority.

[QUE PASA] And you do not think Corvalan is the "undisputed leader" of the Chilean PC, as many communists claim?

[Teitelboim] We have to give up the idea of undisputed leaders. Every man has to be questioned. The PC is not just a political ideology, but a conception of the world and man. Consequently, kings and monarchs transcending the common mortal must not have the party's sympathy, according to the International.

[QUE PASA] So what he says today is not decisive?

[Teitelboim] No, nor was it before. In the final analysis, it is a collective organization and Corvalan is disciplined. He is a respected communist, but this business about undisputed leaders is the saddest thing one could say. I hope no one ever says about me that I was an undisputed leader.

[Box, p 38] Communism Freeing Itself of Flaws

[QUE PASA] Does the Chilean PC support perestroyka?

[Teitelboim] We sought renewal long before that, but we do not want to be guilty of repeating past imitationism. Perestroyka is a fundamental, magnificent fact that we totally applaud, but every country has its own history and never repeats that of another.

[QUE PASA] In other words, you do not wish to speak of "Chilean perestroyka"?

[Teitelboim] No, because it is a Russian word that means "organization, renewal." To renew is the law of life and that step forward has been taken by the Chilean PC.

[QUE PASA] Then you do not believe that what is happening in East Europe proves that communism is basically dying?

[Teitelboim] No. Communism is freeing itself of flaws, getting rid of tombstones.

[QUE PASA] Such as?

[Teitelboim] Such as authoritarianism, statism carried to the extreme, lack of participation by the people, the nation.

[QUE PASA] Then the "dictatorship of the proletariat" is not an intrinsic phase of communism?

[Teitelboim] No, absolutely not. It is another invention. They are giving an eternal, universal quality to a phrase. They do not talk of it in the USSR and we do not believe in it.

(Teitelboim refuses to define himself as a "Marxist-Leninist." "There is no dogma, and no human being has ever uttered the final truth, not Gorbachev or Lenin or Marx." He believes that "democracy is finally reaching the USSR and it is a far more passionate, participatory democracy than one finds in the United States, where democracy is determined by the reign of big business.")

[QUE PASA] Is the Cuban regime democratic?

[Teitelboim] Insofar as democracy means of the people, by the people, and for the people, it is an absolutely popular regime of the poor.

[QUE PASA] But power never changes hands....

[Teitelboim] That is something else. But as far as being democratic is concerned, it is democratic.

Colombia

Head of Atlantic Coast Drug Mafia Arrested

PA1212165189 Hamburg DPA in Spanish 1526 GMT 12 Dec 89

[Text] Bogota, 12 Dec (DPA)—Colombian authorities reported today that Colombian citizen Emiro Mejia Romero, who is wanted by a U.S. federal court, was captured in Cartagena and has been taken to Bogota.

According to authorities, the drug trafficker was arrested by police on 9 December in an apartment he owns in Cartagena.

Official reports list Mejia Romero as one of the heads of the drug mafia on the Colombian Atlantic coast.

Since President Virgilio Barco's government declared "war" against the drug cartels in mid-August, nine drug traffickers have been extradited to the United States.

IDB Official, Prosecutor, Judge Murdered

PA1312054289 Paris AFP in Spanish 0344 GMT 13 Dec 89

[Text] Bogota, 12 Dec (AFP)—A Colombian official from the Inter-American Development Bank [IDB] and a prosecutor from the Medellin Higher Court were assassinated in the last few hours near this northwestern city, the second largest in Colombia, police spokesmen have reported.

Edgar Henao—55, civil engineer, economist, and top executive from the international credit organization—was shot several times by some unidentified people at his farm called El Limon, Venecia Municipality, 61 km southwest of Medellin.

Henao, who has been working for the IDB for 13 years, had arrived in Colombia on 7 December and was preparing to leave for Jamaica, the sources added.

Moreover, 4th Prosecutor Gabriel Jaime Velez was attacked in Envigado, 10 km from Medellin, by an individual who fired 13 shots killing him instantly as he was walking home.

Velez, 38, was handling several kidnapping and drug trafficking cases and had been threatened, but he had no bodyguards, relatives of the victim said.

During the last 6 months, five judges and magistrates have been killed by hired assassins in Medellin.

Also today in Buenaventura, the major Colombian port on the Pacific coast, Judge Sofia de Roldan was shot to death by hired assassins. She was preparing for a new job in Cali, in western Colombia.

Guerrillas Kidnap British Oil Engineer

PA1112221389 Hamburg DPA in Spanish 2136 GMT 11 Dec 89

[Text] Bogota, 11 Dec (DPA)—Colombian authorities have reported that suspected members of the Colombian Army of National Liberation (ELN) today kidnapped British engineer John Johnson in eastern Colombia.

According to the official reports, the kidnapping occurred when the engineer was traveling to the camp of a petroleum company near Saravena in Auraca intendancy.

In recent months, the ELN, which is considered to be the most radical of all the guerrilla groups operating in Colombia, has kidnapped several foreign engineers who work for multinational companies.

The ELN supports the nationalization of the petroleum industry because it believes that foreign companies receive the biggest profits.

* Conservative Party Rift Seen Widening

90ET0041A Bogota SEMANA in Spanish
31 Oct 89 pp 26-34

[Text] When speculation in Colombia centers on the question of who will be the next president of the Republic, the commentaries revolve around the relative strengths of Duran, Samper, and Gaviria respectively. No one knows for a scientific certainty who is going to win. Some even say that the dark horse could be former President Julio Cesar Turbay. What does seem a certainty now is that the next mayor of Bogota, with the withdrawal of Fernando Botero from the running, is sure to be Juan Martin Caicedo. From all the talk, however, one thing emerges loudly and clearly: No one cares who will be the PC [Conservative Party] candidates for the presidency or the mayoralties. The same thing is happening in regions like Costa Atlantica and many large cities in the rest of the country. No one is on tenterhooks regarding the Goths [Conservatives]. At the presidential level and the level of very many mayoralties, attention is centered on the selection of the PL [Liberal Party] candidates. And something similar is occurring as to the parliamentary elections, in which the PC is expected to lose seats, in both the Senate and the Chamber.

It was not always this way. Although the PC has traditionally been a minority party in Colombia, its influence in the country's national life and its exercise of power as the governing party have historically been comparable, to say the least, to those of the PL. True, the prevailing mental attitude today leans overwhelmingly in the direction of liberalism, but the fact is that over the last hundred years the conservatives have had sole power longer than the liberals. Forty years of hegemony, plus 7 under Mariano Ospina and Laureano Gomez, plus 8 years of National Front conservative presidents and Belisario's 4 years, add up to 60 of the past 100 years for the blue rooster, versus 40 for the red rooster.

All indications, however, are that things are not going to continue that way. There is a saying that in politics there is neither a past nor a future: Everything is the present. But it is safe to say that the future of the country, at least for the medium term, will be in the hands of the PL. And it is not only the liberals who think this way, fired with enthusiasm as they are at the thought of years of power to come, but also the conservatives themselves. In a recent poll by the National Polling Center, 60 percent of the conservatives responded that, to them, the future of the party looks dark, uncertain, or at best, so-so.

The Crisis

In its long 100-year life, Miguel Antonio Caro's party has been beset by many crises. Its fall from power in 1930 and its replacement by the Liberal Republic appeared to presage a red hegemony of the same duration as the blue one it replaced. But it was not to be. The 1946 split of the Liberal Party brought things back into balance and Ospina, in his dog-paddle fashion, made it into office. He was followed by "The Monster," as Laureano Gomez was called. Even though they comprised the minority party from then on, the conservatives held or shared the governing power both during the dictatorship and the National Front, as well as under the Lopez, Turbay, and Belisario governments.

After half a century of violence, reconciliation and coordination, one would have thought that Colombia had become a mature democracy capable of encompassing alternations of power between the parties concerned, without having to resort to shared-government formulas; in other words, a governing party and an opposition party, which is the way bipartisanship operates in the advanced democracies.

But after 3 years of experimenting with this form, the results could not be worse for the Conservative Party. Its situation, far from resembling that of the Republican Party in the United States or the Labor Party in England—which are minority parties that are either in power or have a chance to win it—resembles more that of Manuel Fraga's Popular Party in Spain or England's Liberal Party—parties that, like Colombian cyclists, manage to win only moral victories.

And this is the feeling that reigns now within the Conservative Party. Alvaro Gomez views the situation as so hopeless that, in statements that caused a stir, he said that he was prepared to support a liberal candidate, provided that candidate met certain conditions such as would "in this period of political disorientation, give rise to a national movement." Daniel Mazuera, who just recently relinquished his bid to become mayor of Bogota, was more vehement. In a press conference held last Thursday in the Colombian Studies Center, he said: "Its mystique lost, its cadres convinced of the impossibility of winning, with no prior access to the bureaucracy, divested of its hierarchy, its unity splintered, its Congressional discipline shattered, with no access to the mass media, the Party drags its burden of woes from bureaucratic gate to bureaucratic gate, grubbing for the crumbs that fall from the liberals' banquet table...." Last Saturday, Juan Diego Jaramillo, entrenched behind EL TIEMPO, and not to be outdone, wrote: "The problem of the conservatives as a minority is disastrous (...). At the very advent of its historic validity, the Conservative Party has disappeared." Pastrana himself, who as sole leader must sustain the morale of the troops, has acknowledged to SEMANA that some reverses may be expected in the immediate future that could translate into losses of seats in the March elections.

But is the Conservative Party's situation really all that serious? On the eve of his death in 1976, former President Ospina Perez laid down in terms of quantitative parameters what, in his opinion, the Conservative Party should represent in Colombian life. He stated that if the party could not win 40 percent of the vote, it should

withdraw from the government. Having decreed this dictum, Ospina died 4 days prior to the elections, and the blue legions, posthumously fulfilling his desires, won 39.5 percent of the votes, which for all practical purposes had been the targeted figure. This percentage remained more or less constant until the last parliamentary election in 1986, when the liberals won 56 percent of the vote and the conservatives 38 percent. These percentages will become things of the past in the forthcoming elections.

Snowball

All indications are that the conservative vote will barely total 30 percent in the forthcoming parliamentary elections. How is this figure arrived at? Based on the aforementioned poll, the liberal vote, which totaled 3.8 million in 1986, could be expected to total over 4.5 million: Not only does rivalry among the precandidates increase the total vote, but also, since the issue in the present case is the election not only of a parliamentary candidate but also of the president of the country, many liberals, as well as conservatives, who traditionally don't vote in the parliamentaries, will do so on this occasion. But at best, the conservatives can only hope to maintain the 2.5 million votes they posted in 1986, which would amount to not over 30 percent of the total.

In Bogota, the outlook looms much more serious. In a recent poll conducted by the Napoleon Franco firm, on voting preferences with respect to liberal and conservative precandidates, the liberals garnered 80 percent of the voting preferences, while the conservatives, who registered Alvaro Gomez, Misael Pastrana, and Rodrigo Lloreda as precandidates, totaled, all precandidates together, only 12 percent.

A drop of this magnitude may not appear highly significant to the ordinary informed citizen, but for the politicians and political commentators, who must analyze trends and historical cycles, it can signify the beginning of the end. In politics, as in the stock market, psychological factors are as important as real ones, and a loss of morale can have a snowball effect.

In any case, this crisis appears to have no logical explanation whatever. Ideologically speaking, never, since as far back as the 19th century, have conservative theses been more in vogue. The collapse of communism has pulled the rug from under the radical left as an alternative. The left-leaning theories that have spread throughout the world since the Russian revolution, and particularly in Latin America since the Cuban revolution, are being reevaluated in the light of events. And if that is the international context, conditions in the national one could not be more propitious. Colombia has traditionally been a country of malcontents, where, by the third year of an administration, everyone has become anti-administration, and those in the opposition begin to view themselves as the country's saviors. If to this one adds the fact that the country is wracked by what many consider the worst crisis in its history, logic would have it that the Conservative Party should be under discussion as a real governing alternative.

But this is not so, and it is difficult to understand why. Only two explanations are plausible. The first is rooted in bureaucratic factors. The advent of the government-versus-opposition process eliminated the bureaucratic guaranties the Conservative Party had enjoyed since the creation of the National Front. Even after the National Front's demise, those guaranties were upheld by the famous Article 120 of the Constitution. Although Colombia has now attained a degree of political sophistication—with mechanisms such as the government career, the popular election of mayors, and others—that makes old-style bureaucratic hegemonies impossible, the fact is that the spirit of "anything goes, as long as it's red" tends inevitably to favor red employees over blue. And in a country where the number of votes depends mainly on the number of jobs, any reduction in bureaucratic share, no matter how insignificant it may be, is reflected in the electoral results. Although the blue's bureaucratic reduction has been moderate, the projected electoral reduction is undoubtedly linked to it.

Were this the only explanation, it would be sad indeed that after a century and a half of republican life, and just 10 years away from the 21st century, the government in Colombia should depend exclusively on intrigues and string-pulling. Where, then, are doctrine, the clash of ideas, the swing towards the right that is under way worldwide? Some of this should be occurring in Colombia—above all, when one considers that the Liberal Party is really not offering very much. Why then is nothing happening?

Assessment of Responsibilities

The only response to these questions would be to place the responsibilities on the leaders of the parties. If conditions are such that they could not be more propitious and the results such that they could not be more depressing, much of the responsibility must fall on them. The perpetual bickering between Misael Pastrana and Alvaro Gomez has ended up tiring out the blue troops. Since neither of the factions can hope to rout the Liberal Party in the near term, its only hope of a victory is over its rival within its own party. This attitude intensifies as the hope of becoming president fades. Although the blame must be shared, it is unquestionably greater where the hierarchies are greater. After 15 years as sole head of the party, Pastrana cannot expect to separate the forthcoming electoral results from a judgment of his stewardship. As chief of the opposition in the world's most traumatized country, it devolves upon him to rally the ever-growing discontent of the masses around his party. The Liberal Party, being already the governing one, cannot be an alternative. The guerrilla movement has ceased being one. And the democratic left is unable to get off the ground. The entire field is sitting there open to the conservatives, without a rival in sight, without having to share any blame whatever with the present government, and with the tradition and legitimacy of a century of

history. If the party, under these conditions, is presently unable to sway public opinion, then the question is: Will it ever be?

In all justice, it must be acknowledged that the death of the Conservative Party is thus far but a presumed death, in that despite the polls and generalized mourning, there has been no burial as yet. And the party's only concrete accomplishment under Pastrana's leadership has been a relative triumph in the first 1988 mayoral elections, in which Misael Pastrana's party won approximately 450 mayoralties. While in real terms this does not constitute what he has called a "geographic majority," it would amply meet the parameter set by Ospina Perez. If this result could be repeated in 1990, Pastrana would earn a place in his party's hall of famous leaders, alongside those of Caro, Laureano, and the Ospinas. If on the contrary the forecasts, rumors, and tales prove to be real, his leadership will barely succeed in maintaining a balance. For him personally, such a result could not be more fortunate; for his party, it could not be more unfortunate.

But not all the blame can be placed on Pastrana. If indeed a burial does take place, Alvaro Gomez will have to bear quite a share of the candles. After a lifetime spent defending a doctrine, the scarcity of votes, and an enormous respectability, his performance under the government-versus-opposition process has profoundly altered this equation. Although his standing in the polls has never been better, his doctrine and even his respectability have become blurred. Whether as a consequence of the electoral defeat, or the kidnapping, or both together, the fact is that the new Alvaro, a sky-blue rather than a methylene-blue, is being left without bread and without cheese: without the power and without the respectability that his doctrinal purity bestowed on him in the eyes of both his followers and his adversaries. His drama is that of the man who feels that history has been unfair to him. As he becomes increasingly a minority within a minority, his attitude has changed from that of a strategist to that of a fifth columnist, from that of an idea man to that of a word man. His power today rests less on doing things than on sabotaging things that others do. He has stopped being a general and has become an anarchist—not only in relation to the government but also in relation to his own party.

As for Belisario Betancourt, having apparently been sidelined from all of these episodes, he is now the best card left to the party for waging the opposition in the event of a catastrophic outcome for it in the 1990 elections. His problem is that his government has been considered the least conservative of any in recent history, liberal governments included. He has electoral possibilities, but not doctrinal possibilities, at a time when, to be a viable alternative, the Conservative Party needs both. As for the rest, one sees a number of respectable citizens who, although they are the future of the party, are that of a party that appears not to have one. The names of Lloreda, Holguin, Melo, Escobar, Leyva, and Velez Urueta represent no more on the national political scene than does that of Bernardo Jaramillo, the UP [Patriotic Union] candidate. All political bets point to Lloreda as the official candidate, even should next week's convention be recessed. His possibilities may be the best, but his prospects are the worst. He leads a single file that some years ago could have lined up for the presidency, but that is now merely lining up for the candidacy. As Juan Diego Jaramillo wrote in his EL TIEMPO column last Saturday: "He does not want to lose with a divided party, but rather with a united party."

But this applies not only to Lloreda. To judge from the current scenario, and if nothing extraordinary happens, that precisely is the drama of the Conservative Party as it enters this century's finale.

Peru

Government Reaches Accord With IMF

PY1312120089 Madrid EFE in Spanish 0251 GMT 13 Dec 89

[By Francisco Roque Bacarreza]

[Excerpt] Washington, 12 Dec (EFE)—After a 3-year period, the Peruvian Government today began to normalize its relations with the world financial institutions after reaching an accord with the IMF.

Peruvian negotiator Abel Salinas, who is a former minister, today returned to Lima at the conclusion of negotiations with the IMF over the gradual repayment of approximately $800 million which Peru owes to that agency. The IMF had declared Peru "ineligible" for new credits.

Under the terms of the accord, which the IMF announced on 11 December, Peru must pay $42.3 million of its overdue obligations to the IMF.

EFE has learned that both the World Bank and the Inter-American Development Bank are satisfied with the accord between the IMF and Peru. [passage omitted]

Garcia Sees Change in U.S. Approach on Drugs

PY1212141889 Lima Television Peruana in Spanish 0100 GMT 12 Dec 89

[Excerpts] President Alan Garcia has reiterated that there will not be a traumatic devaluation of the Peruvian currency because imported industrial inputs and basic staples are paid with the MUC [single exchange rate] dollar, which stands at 4,800 intis. [passage omitted]

[Begin Garcia recording] A week ago I sent a letter to U.S. President Bush outlining our position on the drug trafficking problem and the cultivation of coca leaves in Peru. I explained to him that even though military and police repression is important, the replacement of coca farms is far more important and this calls for higher coffee and cacao prices and commercial measures to

open the markets to the products that are grown in the Huallaga region. I also explained to him that if we implement a farm replacement program with U.S. support, we will in a very short time turn the Huallaga Valley peasants into the best soldiers fighting against drug traffickers and subversives in that area.

I explained to President Bush that the important thing is not merely to provide some weapons or helicopters, but to improve the price of products; and, that the marketing of those products can rapidly improve the situation in the Huallaga Valley.

Today I received a letter from President Bush in which he takes notice of the explanations and expectations that I mentioned to him. I believe that this reflects a very important change in the approach.

In 1985, in my speech to the United Nations, I presented those proposals, but they were rejected and criticized. To say that the United States was the largest drug consumption center and the main driving force for the production of coca leaves in Latin America was considered an offense against the United States. There was an incident between myself and the man who was then the U.S. secretary of state.

This letter reflects a very important change in the approach. It also recognizes that the replacement of coca farms is an essential issue.

I can release this letter to you. I can also release the letters that French President Francois Mitterrand and FRG Chancellor Helmut Kohl addressed to me. These letters are written in the same terms, and they reflect the same position, which I consider a key factor, namely that the fight against the production of coca leaves is not an essentially military and police problem. It is basically an economic issue, calling for the replacement of crops, higher prices, and preferential tariffs to allow those products access to the U.S. or European markets. If those countries decide to do that, tens of thousands of peasants will arm themselves and will defend themselves from drug traffickers—like other Peruvians who defended themselves from the Shining Path in the Apurimac River Valley. Peasants will thus have a feasible economic chance to progress.

The letters by Presidents Bush and Mitterrand and by Chancellor Kohl have clearly recognized this situation. [end recording] [passage omitted]

Garcia on Border, Dollar, Terrorist Issues

PY0812125489 Lima Television Peruana in Spanish 0100 GMT 8 Dec 89

[Excerpts] President Alan Garcia announced that the borders will be reopened. He said that the results of the measures adopted 15 days ago are positive. The president called on all businessmen and industrialists not to speculate on prices. He also reiterated his support for Economy and Finance Minister Cesar Vasquez Bazan, who he said is making great efforts to face the Peruvian economic situation. Garcia made these statements after a meeting with the Council of Ministers.

[Begin recording] [Reporter] The border closure measure expires today. Will it be extended?

[Garcia] No, the borders were never closed. We only established some restrictions on the use of transit permits in Tacna to prevent an increase of smuggling before the year-end festivities. The 15-day term of that measure has expired and it will not be extended.

[Reporter] Apparently, that measure has not had good results.

[Garcia] I think that in general it has yielded positive results because smuggling has probably decreased somewhat. As you know, a few years ago Chile established the Iquique free zone where products are sold to Peru and Bolivia. Thus, a stable market of hundreds of thousands of people which daily pass thorough the Tacna border with small packages has been established.

We simply restricted the permits they use to bring in a tape recorder or laser disc players. I understand that smuggling decreased for a few days. However, that merchandise entered the country by other means. We cannot impose too many restrictions, but we can ask the customs office and the police to increase their efforts to control excessive smuggling into the country.

[Reporter] Do you think that the free-market dollar will drop by January?

[Garcia] I am sure it will. Last year, like now, the free-market dollar exchange rate increased sharply because companies are paying year-end bonuses and they are converting their profits into dollars. People are taking holiday trips and buying more goods and home appliances. Therefore, the dollar demand and prices have increased.

Last year, when the MUC [Single Exchange Market] dollar exchange rate was at 500 intis to a dollar, the free-market dollar climbed to 2,000 intis. Later it dropped to 1,000 intis in January. I think that the same thing will happen this year. [passage omitted]

[Reporter] There have been some rumors in the past few days that the economy minister is about to resign or is being pressured to resign. Is this true?

[Garcia] The only person who could pressure him is the president of the Republic, and I can tell you that I am not pressuring him. We acknowledge the current difficulties of the Peruvian economy, as well as the efforts of the economy minister. I express my recognition of and support for the economy minister because he is young, well-intentioned, and very honest; he has progressive ideas. He is making every effort possible to stabilize the economy as well as possible, and he sponsored a democratic transition after the elections.

[Reporter] Today did the Council of Ministers discuss a wage increase for this month?

[Garcia] That point must be defined by the economy and labor ministers. Today, in addition to the border issue, we discussed a subject we had talked about a few weeks ago.

On that occasion I listened to a report from the so-called Commander Huaihuacu. He is chief of some 85 peasant communities along the Apurimac River which have rebelled against Shining Path control. The Apurimac River separates the Ayacucho and Cusco Departments, and these peasants live in an area called Oreja de Perro in La Mar Province. They have carried out a democratic uprising and organized themselves to keep Shining Path from entering their communities.

This so-called Commander Huaihuacu, who is a man of action, has organized approximately 85 communities on the banks of the Apurimac River, in the Ayacucho Province of La Mar and the Cusco district of Charate. Huaihuacu has come to Lima seeking support.

We have decided with the Defense Ministry to go tomorrow to Rinconada Baja area in La Mar Province, Shining Path's primary area of activity for 10 years. There I will dedicate a radio station to be called Radio Democracia. Its aim will be to broadcast news and democratic and patriotic messages from that area, which is a center of peasant resistance against terrorism.

We will arrive there tomorrow and talk with the peasant leaders, who for years have fought Shining Path together with our Navy infantry units stationed in Luisiana and San Francisco. [passage omitted] [end recording]

Garcia Lauds Peasants' Self-Defense Role

PY0912153389 Lima Television Peruana in Spanish 0100 GMT 9 Dec 89

[Excerpts] President Alan Garcia today commented on the example set by the peasants of Ayacucho who, with a spirit of struggle and a brave attitude, have made their own weapons and organized themselves into popular antisubversive organizations to face the Shining Path. Everyone should note how the people are arming themselves to defend their land and their families' right to safety and well-being, Garcia said, adding that with an armed people the Shining Path will be finished. He also expressed his support for the peasants and requested that all Peruvians support them.

President Alan Garcia did not give the peasants only moral support; he also gave them material help. He gave them 600 million intis, two tractors, and 200 British-made rifles. The president also dedicated a new school and a radio station that will be called Radio Democracia. It will be a subsidiary of Radio Television Peruana and will transmit messages of democracy and support throughout the Apurimac River Valley area. President Alan Garcia also gave out scholarships to peasant children.

[Begin recording] [Passage omitted] [Garcia] Commander Huayhuaco [not further identified], ladies and gentlemen, members of the civil defense in the struggle against subversion. I have been moved to visit this town of Rinconada Baja to greet you in the name of Peru and to tell you that the whole country admires, appreciates, and supports the brave struggle you have begun against the criminal Shining Path. In this square, where the terrorists have murdered and slaughtered peasant leaders, you are now standing, organized and disciplined with weapons you have made with your own hands, demonstrating to the rest of Peru that the people will not give in. You are demonstrating to the Peruvian people that the Shining Path can make death threats—and even kill—but the poor and working peasants will not give in. [passage omitted]

We must struggle for freedom, and you represent that sacred and divine principle of freedom. This is why I have brought equipment for a radio station that will disseminate your voice throughout the whole department. This Radio Democracia, which represents the strength of civil defense, must be heard in the whole department. I want your voice to be heard from this place so that all the communities can listen to the brave and enlighting words of Commander Huayhuaco. I want all communities in this department to listen to his point of view in defending democracy. We will now dedicate Radio Democracia so that every peasant of this department who lives in fear of the Shining Path may listen to a valuable, democratic message of freedom.

This is why, the first time that we have come here, we are bringing you a radio station to allow you to transmit a message from the civil defense, a message of democracy and courage. Call on all the peasants to defend and free themselves and to turn themselves into a defense organization of the motherland.

We have also brought some civilian weapons as a first step toward your gradual organization, always under the direction and help of the political-military command. We have brought some high-quality weapons that you can use.

Since every community needs some works, we have also brought you some funds. Some time ago we began giving out money to each peasant community to allow the peasants to carry out their most important work. Today we have brought, as an initial contribution for the next 6 months, more than 600 million intis for your communities. We will now hand out the money to each community chief. We will also hand out these weapons to each civil defense commander and squadron chief as a first step toward providing the appropriate equipment. [applause] [passage omitted] [end recording]

Vice Presidents Interviewed on U.S. Tour

PY0812145689 Lima Television Peruana in Spanish 0100 GMT 8 Dec 89

[Excerpts] Second Vice President Luis Alva Castro has described his recent trip to the United States as successful. He traveled with First Vice President Luis Alberto Sanchez, and they met with U.S. Vice President Dan Quayle and with Enrique Iglesias, president of the Inter-American Development Bank [IDB].

The two Peruvian vice presidents gave a news conference during which Luis Alva Castro said that Peru has always recognized its debt and maintained talks with the financial institutions. It is not true that Peru did not want to pay its debt; it was unable to do so, he said.

Given the good relations between Peru and the IDB, the two vice presidents met with IDB President Enrique Iglesias to discuss the financing of development programs in Peru. Alva Castro and Sanchez then met with U.S. Senator (George Bidder), Democrat, president of the U.S. Senate Foreign Relations Committee. [name and titles as heard] The two vice presidents also went to the White House to meet U.S. Vice President Dan Quayle, with whom they discussed the most important aspects of drug trafficking, peace, violence, development, and economic cooperation.

[Begin recording] [Reporter] What is the result of all your meetings?

[Alva Castro] It has been a useful and positive tour. I am sure that we have all gained much. During our interview with the U.S. Vice President, we discussed important subjects for Peru. The most positive aspect of the trip was that we demonstrated to the financial community our political decision to continue reestablishing and consolidating our relations with the international financial system. You must not forget that Peru was accused of not wanting to pay its debt. I demonstrated that the point was not that Peru did not want to pay its debt, but it was unable to do so. [passage omitted]

[Reporter] What did you discuss with UN Secretary General Javier Perez de Cuellar?

[Alva Castro] We held an important meeting with him this afternoon, just as we did with U.S. Vice President Quayle. We discussed drug trafficking, which is a subject that brings us closer to the United Nations. The United Nations is organizing an international meeting on drug trafficking. As you know, Peru has a firm position regarding this subject. We want to fight this scourge and eradicate coca cultivation in Peru. We therefore need the understanding of highly developed countries which are drug consumers, like the United States. These developed countries must help us in a measure compatible with the importance of this problem because the aid we have obtained so far is insufficient. The Peruvian coca producers, the peasants, need more substantial aid to replace their crops for others that will ensure good nutrition for the Peruvian people. This is the only way we will be able to eradicate this scourge which is a poison for humanity. We are sure that, with joint action, we will be able to eradicate drug trafficking. [end recording]

Further on Meetings in U.S.

PY1012205889 Lima Television Peruana in Spanish 0100 GMT 10 Dec 89

[Excerpts] As a result of First Vice President Luis Alberto Sanchez' talks in the United States, Peru has taken important steps to normalize its relations with the international financial community. Sanchez held meetings with the highest-ranking officials of the IMF and the Inter-American Development Bank and with U.S. Vice President Dan Quayle.

[Begin recording] [Reporter] What was the result of all these meetings?

[Sanchez] One can only talk about results after a certain period of time, but the most immediate point of these talks is that we have made contact with these high-ranking officials, who showed great interest in the problems of Peru and of Latin America. We discussed these problems quite frankly. We discussed not only Peru's relations with international financial institutions but also terrorism, the antidrug campaign, and the overall effort to achieve peace and to recover our cultural roots. [passage omitted]

[Reporter] Dr Sanchez, are the meetings held by your delegation at all related to the meetings being held between Abel Salinas and the IMF?

[Sanchez] No, there is no direct connection, but we did contact Abel Salinas when we were in the United States. [passage omitted]

November, Cumulative Inflation Rates Released

PY1212220689 Lima EL COMERCIO in Spanish 2 Dec 89 p B 9

[Excerpt] The National Institute of Statistics yesterday reported that in November 1989 the inflation rate reached 25.8 percent and that the inflation rate index [numero indice] totals 7,246.3 percent.

Meantime, the cumulative inflation rate for the first 11 months of the year, that is, from January to November, stands at 2,049.7 percent and the annual cumulative inflation rate stands at 2,949.8 percent. [Passage omitted]

New Guerrilla Organization Linked to IU Sector

PY1212202689 Lima EXPRESO in Spanish 21 Nov 89 p 6

[Text] Lieutenant General PNP-PT [National Peruvian Police-Technical Police] Fernando Reyes Roca, the top director of the Technical Police, yesterday confirmed the existence of a new guerrilla organization in the country—the Patriotic Front of Liberation [Frente Patriotico

de Liberacion] (FPL)—whose activists allegedly belong to a radicalized sector of the United Left [IU].

In exclusive remarks to EXPRESO, the high-ranking police officer said that this subversive group had been discovered in a timely fashion by the state's intelligence services and that "there is important news" on this issue.

"Investigations into this new terrorist organization, which has been secretly operating for several months, are well advanced," Reyes Roca noted.

In addition, Reyes Roca reported that PNP operational units had captured important terrorist leaders over the past few hours, hinting that the detainees could be FPL leaders.

The PT director made these remarks at noon today after attending a meeting with the media at the 15 de Septiembre police headquarters on Espana Avenue in Lima in which an important supplier of counterfeit dollars was introduced.

It was learned from police sources that the FPL could be a splinter group made up of members of the Peruvian Communist Party and radicalized cadres of other IU groups.

Although the exact identities of the top FPL leaders are not known, it was leaked that many of them received guerrilla warfare training at Farabundo Marti National Liberation Front (FMLN) camps in El Salvador.

*** Election Aftermath Analyzed**

*** Obstacles Facing New Mayor**

90ET0044A Lima CARETAS in Spanish
6 Nov 89 pp 32-33

[Article by Mario Campos: "What Awaits the New Mayor"]

[Text] Lima's new mayor will face the demands of 2,500 city staffers plus 700 workers recently hired by Jorge Del Castillo. In all, the administration of the American Popular Revolutionary Alliance [APRA] hired 1,700 new workers. One reason the outgoing mayor is worn out may well be the lamentable fact that he's had to spend 88 percent of his budget meeting payrolls.

The new mayor will have to confront an impatient and radical union. During his administration Del Castillo faced three major strikes. The last one came in October, and it forced him to grant raises said to have emptied the city treasury.

According to his critics, a glaring shortage of equipment ruled out broad-scale success for Del Castillo. He had to settle for construction of the Brasil, Tomas Marsano, Alfonso Ugarte and Avenida Ramiro Priale traffic corridors plus the Santa Anita Market.

Whoever succeeds him will have to overcome grave deficiencies in the regulation of trash removal, open-air selling, and parks. When Del Castillo took over, the municipal government had five departments to which he added two more: Public Safety and Marketing and Consumer Protection. Both are paralyzed.

Under the controversial leadership of Juan Jose Vizcarra, Public Safety is in very grave trouble. It has vowed that only 200 of its 800 inspectors will be permitted to keep their jobs. The 600 inspectors thus subject to layoff are a source of significant unrest which is aggravated by the plight of 200 others Vizcarra kicked out after a strike.

These people were hired in order to organize a corps of municipal traffic police, but the plan was a total failure. The Ino motorcycles donated to Barrantes by the World Bank had to be handed over to the National Police. Another item for the future mayor: The city inspection office, which is part of the Office of the Controller of the Republic, is investigating the acquisition without public bidding of 800 blue uniforms, helmets, shoes, and gear.

Del Castillo leaves as a legacy the completed Metropolitan Development Plan which encompasses planning for the city's urban development. The plan was begun by Orrego, continued by Barrantes, and finished by Del Castillo with technical support from a Belgian company assisted by a team of Peruvians that included Eduardo Orrego. The plan, which cost some $12 million, is ready to go.

The new mayor faces a Public Trash Removal Company in ruins. It is practically broke and gets just enough money from the Municipal Office of Administration to meet its payroll. Reports say not even enough is left over to buy a bolt, much less tires. Recently acquired Ford compactor trucks are the only units now operating. Ninety percent of the Japanese grant for Hino compactors has been withheld. There never was a metropolitan trash removal plan, nor was there any coordination of public trash removal between Lima and the 42 districts. Each district has its own collection system, and most of their compactors end up either dumping garbage on the banks of the Chillon River or strewing it about the streets of this stinking city. Of the 5,000 tons of garbage Lima produces daily, 2,150 "officially" make it to the sanitary landfill.

The future mayor is bound to have to fight—continue fighting—the Economics Ministry to fund for the Glass of Milk program. Transfers from the ministry make up 30 percent of its budget. Through December of this year, the program will require transfers amounting to 1.5 million intis. What's more, the new mayor will have to face up to the uncompromising demands of leaders of the totally and rabidly politicized mothers' groups. Some say 80 percent of these leaders, who take orders from the Mariateguist Unified Party [PUM], have no children of their own.

Moreover, with no tanker trucks the new mayor will not be able to do a single square meter of watering. The city

has no landscaping service and no lawnmowers. Arequipa has 12 tanker trucks, but our "garden spot" of a city hasn't even got a demonstrator.

The city's vehicle deficit is lamentable. It has no trucks, large or small. The two or three pickups it (pretends to) own are part of a lot Mayor Orrego got from the Interior Ministry during his time in office after they were seized from drug dealers. Since then, the city has been unable to buy as much as a single pickup.

The new mayor will confront additional pressing problems in the Department of Marketing and Consumer Protection, a Del Castillo creation directly concerned with street vendors and the informal economy. No progress was reported on the issue of open-air selling, and this oversight was clearly a question of political convenience.

Grave difficulties also beset Serpar (Park Service), which came under fire for auctioning off 90 percent of the lands in its care. Despite a law specifically requiring the proceeds from such sales to be reinvested for new parks in Lima, not a single pot or tree has been planted, nor have any swimming pools or soccer fields been built. Not a one. It all went to the bureaucracy with the lion's share going to the Christian Democrats who up until October controlled Serpar. At that time, the ailiance they had forged with APRA broke down in the Municipality of Lima. Councilman Henry Pease asked for the presidency of the service, then handed it to Zetti Gavelan, the recidivist councilman for the National Union of the Revolutionary Left [UNIR]. The upshot: Everybody had a ball.

Del Castillo promised to deliver water to outlying squatters' settlements and in summer 1987 (as a bit of a new broom) hired a fleet of tanker trucks from a private concern. In summers to come, he announced, the city would haul water in tankers of its own. The squatters' thirst and the wicked ways of the tanker drivers put the lie to that old vow of the outgoing mayor.

Some say the new mayor ought to activate the metropolitan assembly of mayors as called for in Law 23856. In 3 years the body has met only five times, and the law requires a meeting at least once every 2 months.

* Presidential Elections

90ET0044B Lima CARETAS in Spanish
14 Nov 89 p 24

[Text] By flocking to the polls, voters rebuffed the efforts of subversives to get them to boycott the election. Neither the absenteeism sought by Sendero Luminoso [Shining Path—SL] nor the call of the MRTA [Tupac Amaru Revolutionary Movement] to cast blank ballots had a major impact at the national level. In some areas the outcome deserves the kind of scrutiny that can only come when all the results are in, but as a dress rehearsal for scuttling the general election, Sunday the twelfth was a bust.

Of the forces competing in the election, none can claim unqualified success. Fredemo [Democratic Front] ended up with the most votes, but it suffered very significant setbacks in Lima, Arequipa, Trujillo, and Cusco. This probably confirms the uneasiness people feel about political parties and helps Vargas Llosa. However, it hurts his populist and Popular Christian Party [PPC] partners to the benefit of Belmont in Lima and Caceres in Arequipa.

As an immediate result, Popular Action (AP)—which stubbornly insisted on the nomination of its candidate in Lima—will probably suffer a loss of clout in the ranks of the Democratic Front. Tacitly or explicitly, the PPC, and especially Libertad, will exact a price from AP during internal negotiations on route to the general elections.

Nationally, the runnerup was the IU [United Left] which finished well off the lead and emerged much weaker from the municipal elections. As the largest fragment of the divided left, the faction led by Pease has proven the obvious: after a split, everybody loses.

Worse yet, the combined total of the IU and ASI [Socialist Accord] votes is dismal. Since 1978, when these leftist groups made their electoral debut in races for the Constituent Assembly, they have never made a worse showing. Barrantes and Pease now face a week of complex evaluations.

Frejolito [Barrantes] must wonder how his group will fare following Sunday's stunning defeat and how successfully he can reverse such an outcome by putting himself in the position of standardbearer. The PUM [Mariateguist Unified Party] and the UNIR [National Union of the Revolutionary Left] will most likely charge that Pease was—and in the voting for president will again be—a poor candidate. His most probable response will be that the diehards don't take elections seriously and end up undermining them. In sum, we can expect some realignments, beginning with the PC [Communist Party].

However, the party hit hardest was APRA [American Popular Revolutionary Alliance]. Despite the personality—and nearly nonpartisan feminist campaign—of its candidate in Lima, the vote in the capital and the country at large, with the previously noted exception of Libertad, amounts to popular rejection of the ruling party. This confirms that Alva Castro will have to limit his expectations to brokering his support to Barrantes in the event of a second round.

Analysts are even debating the pros and cons of having presidential elections almost immediately after the municipal races. That's the way it happened this time, and the main repercussion is likely to be the way the contest just ended may alter the choices offered voters in the one to come.

* Demise of Left Discussed

90ET0044C Lima CARETAS in Spanish
14 Nov 89 p 25

[Commentary by Luis Pasara: "The Left's Defeat"]

[Text] Just months before the presidential elections, Peru's leftist parties have turned in one of their poorest-ever performances at the polls. The results could clear the political way for the Democratic Front (Fredemo): hardly a happy prospect.

The left's tally on Sunday 12 November looks small next to its record over the past decade. Not counting unmarked or mutilated ballots, leftist parties fared best in 1978—when five slates vied for the Constituent Assembly—and in the 1986 municipal races, getting 30 percent of the so-called valid votes on each occasion. They did nearly as well in the 1983 municipal contests with 29 percent of the vote.

In nationwide balloting for mayors in 1980 and for president in 1985, the IU [United Left] led by Alfonso Barrantes garnered 24 percent of the vote. Its presidential fortunes hit bottom in the 1980 election when clashing ambitions split the left behind six different candidates and left it with just 14 percent of the popular vote.

This is the background needed for comparisons of what happened in the latest municipal contests. Eleven years after the left's appearance on the electoral scene and 9 after formation of the IU, the 1989 outcome—even including the vote for the dissidents of Socialist Accord—must be considered a defeat. How can it be accounted for?

Dispatches by foreign journalists look for links with the socialist crisis elsewhere. The trend in the Soviet Union, for example, is towards market economics. East Germany is giving in to a restive citizenry it can no longer contain. Poland has chosen a non-Communist government, and only a blood bath thwarted pressures for democratization in China.

And there are more examples of how the leftist model has crumbled worldwide. But the past decade's left-leaning voters have no recent record of forcing their leaders to learn the hard lessons of perestroyka, lessons that clearly have escaped them. What the breakup of the local left resembles most is self-destruction.

Popular Action [AP] and APRA [American Popular Revolutionary Alliance] are in crisis because their strength was sapped while they were in power. But the left is facing failure even before it holds office. The reason lies mainly in its inability to be politically creative, no matter how radical its rhetoric.

The call of the left has been—and in large part still is—for activist government. This has not changed even though Peruvians watched first Velasco and then Alan Garcia prove that making government the linchpin for change leads to crisis.

The left has had very harsh words for representative democracy, but its best leaders have accepted the process since 1978 although doing so opened them to charges of contradicting themselves ideologically. As legislators, they have been no better than the rest at changing the way political institutions work. This is why the crisis facing political parties in general includes those of the left and why old-line leaders like Barrantes are losing support.

At the municipal level, the left tried to implement direct democracy but achieved little in the way of concrete results. Nonetheless, leftist mayors have strengthened their ties to voters through frequent consultation with grass-roots organizations. This positive innovation explains how the IU holds onto its districts in Lima.

Finally, although the IU this year has suffered the splits that seem endemic to the left, classic Marxist-Leninism appeared to thrive in Sendero Luminoso [Shining Path—SL]. In the absence of a clear debate on ideology, people generally regarded the divisions in the IU as personal feuds and blamed the left for writing itself off as a pragmatic political option. And in some quarters armed resistance made a comeback as the only correct and authentic form of opposition.

The municipal elections disqualified Pease as a credible presidential candidate. There is an urgent political message for Barrantes in the rout of ASI [Socialist Accord]. The time for realignments and fine tuning is extremely short. But unless there are some changes the parties of the left could be reduced to dwarfs on the 1990 political scene. Just like APRA.

Vargas Llosa has called for opposition from the center left. And he's right. Without a choice that combines economic sanity, political imagination and sensitivity to the plight of the poor, the only alternative to the Democratic Front would be Sendero. This does not bide well for the possible future president and for democratic stability.